

Board of Directors

Chairman & Managing Director

SUNIL KHAITAN

Directors

MANASH CHAKRABORTY (Nominee Director representing ARCIL)

DIPAK RUDRA

DIPAK DASGUPTA

PROBIR ROY

SUNANDA LAHIRI

Executives

R. P. DHANUKA – Sr. President

D. KHAITAN – President

Paper Machine Wire Unit (Nashik)

S. J. SENGUPTA – Sr. Vice President & Chief Financial Officer

S. K. KEJRIWAL – Vice President

(Corporate Affairs) & Company Secretary

Solicitors

Khaitan & Co.

Jhunjhunwala & Co.

Chaubey & Co.

Statutory Auditor

S.S. Kothari & Co.

Bankers

State Bank of India

HDFC Bank Ltd.

Axis Bank Ltd.

Registered and Head Office

25, Ganesh Chandra Avenue

Kolkata- 700 013

CIN : L74140WB1996PLC081521

Tel : 91-33-22349308/09/10, Fax: 91-33-2211 6880

website : www.shalimarwires.com

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SHALIMAR WIRES INDUSTRIES LIMITED

DIRECTOR'S REPORT

To the Members

Your Directors have pleasure in presenting the 20th Annual Report on the working of the Company together with the audited accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

The financial results of the Company as prescribed in the said Accounts are summarized below :

Particulars	2015-16	2014-15
	(Rs. In lacs)	(Rs. In lacs)
Revenue from Operations (Net)	9601.50	9443.14
Other Income	151.22	122.41
Total Revenue	9752.72	9565.55
Less : Total Expenses	8347.56	7968.42
Profit before Finance Cost and Depreciation	1405.16	1597.13
Less : Finance Cost	800.74	862.04
Depreciation and Amortization Expense	593.80	598.82
Profit before exceptional/extra-ordinary items	10.62	136.27
Add : Exceptional Items	--	2.18
Less : Extraordinary items	--	68.65
Profit before Tax	10.62	69.80
Add : Deferred Tax	--	--
Profit for the year from continuing operation	10.62	69.80
Profit/(Loss) from discontinuing operation	(33.72)	(108.41)
Profit/(Loss) for the year	(23.10)	(38.61)

OPERATIONAL REVIEW

During the year under review, the total revenue of the company was Rs.9601.50 lacs as compared to Rs. 9443.14 lacs in the previous year. The operating surplus (profit before finance cost and depreciation) of the Company was Rs.1405.16 lacs as compared to Rs. 1597.13 lacs in the previous year. The Company has incurred loss of Rs. 33.72 lacs for its discontinuing operation as against Rs. 108.41 lacs in the previous year. The net loss during the year was Rs. 23.10 lacs as compared to loss of Rs. 38.61 lacs in the previous year.

DIVIDEND

Due to loss, your Directors are unable to recommend payment of any dividend on Equity Shares for the year under review.

EXPORT

The Company's export turnover was Rs. 2069.53 lacs during the year under review, as compared to Rs. 2093.41 lacs in the previous year.

DEPOSITS

The Company has not accepted any public deposit since its inception.

REHABILITATION SCHEME

As you are aware, the Rehabilitation Scheme of the Company, under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, was sanctioned by Hon'ble Board of Industrial & Financial Reconstruction vide its order dated June 10, 2010. The Scheme envisaged comprehensive financial restructuring of the company which is still under implementation. The Company has also filed a modified Debt

Rehabilitation Scheme (MDRS) in consultation with the secured lenders of the Company which is pending for approval.

TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND

In terms of sections 205A and 205C of the Companies Act, 1956 read with General Circular No. 22/2002 dated 23rd September, 2002 issued by the Department of Company Affairs, the Company could not deposit unclaimed and unpaid redemption amount of debentures and accrued interest thereon to Investors' Education and Protection Fund and had filed necessary application with the BIFR seeking relief u/s 22(3) of SICA and also their approval to make the payment to public debenture holders as and when debentures certificates are surrendered to the Company. The BIFR has approved the same in terms of the Rehabilitation Scheme sanctioned by them vide order dated 10th June, 2010. The Company is making payment to the debenture holders under public category as and when the debenture certificates are surrendered with the company.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report and a certificate from the Statutory Auditors M/s. S. S. Kothari & Co., Chartered Accountants regarding compliance of the conditions of corporate governance as stipulated in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) 2015 is given in Annexure I, forming part of this report.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

Necessary information pursuant to sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is presented in Annexure -II to this Report.

DIRECTORS

As per provisions of Section 152 of the Companies Act, 2013, Mr. Sunil Khaitan (DIN 00385961) retires by rotation and being eligible offers himself for reappointment. The resolution has been included in the Agenda of the ensuing Annual General Meeting. Approval of the members is sought for the said appointment.

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors have submitted the declaration of independence as required under Section 149 of the Companies Act, 2013 read with the Schedules and rules issued thereunder as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

STATUTORY AUDITORS

The auditors M/s. S. S. Kothari & Co., Chartered Accountants, (Registration No.302034E) Statutory Auditors of the company were reappointed as Auditors in the Annual General Meeting held on 29th September, 2014 for the period until the conclusion of the 21st Annual General Meeting of the Company at a remuneration to be fixed by the Board from time to time.

Further, the said Auditors are eligible under Section 141(3) of the Companies Act, 2013 and their appointment is to be ratified by the members in the ensuing Annual General Meeting which we recommend. They have also confirmed that they hold a valid peer review certificate as prescribed under Regulation 33(d) of the SEBI Listing Regulations, 2015.

AUDITORS' REPORT

The comments made by the Auditors in their report and other relevant points in Annexure to their report are self-explanatory. The relevant notes to the accounts also clarify the points referred to by the Auditors. The Auditors have drawn attention of the members in qualified opinion of their report and point wise clarification of your Directors on such qualified opinion is as under :

1. Point no. (a) regarding non-provision of long term and short term loans and advances, which has not been provided because your Company is hopeful of some recovery out of it and if necessary, in consultation with the Auditors, necessary provision will be made in coming years.

2. Point no. (b) regarding the claims receivable from octroi department in respect of the closed Nasik unit, your Company is hopeful of either receiving the claims or will be adjusting the claims with the dues of Octroi dept., if any, payable at the time of sale of the closed Nasik unit.
3. Point no. (c) is related party transactions and has not been written off.
4. Regarding Point no. (d) , your company is negotiating with Industrial Development Bank of India for settlement of their dues which is under process.
5. Regarding Point no. (e), your Company has not made the provision of contingent liabilities since quantum of liability can not be ascertained pending settlement/disposal of appeals and the Company is hopeful of getting favourable orders from the appellate authorities in respect of such appeal. During the year under review, your company has already got favourable order in sales tax and excise cases, effect of which has been given in the book of Accounts and contingent liabilities has reduced substantially with those favourable orders.
6. Your company has sold its land of closed Nasik unit, part land of Paper Machine Wire Unit at Nasik and office premises in Mumbai in terms of BIFR order, however adjustment of sale of these properties could not be made during the year since sale consideration are still lying with State Bank of India in No-Lien account pending approval of BIFR.

COST AUDITORS

The Audit Committee in its meeting held on 21st May,2016 has recommended the reappointment of M/s. Mitra Bose & Associates, the Cost Auditor to conduct the cost audit of the company for the financial year 2016-17 in terms of section 148(3) of the Companies Act, 2013. Accordingly the Board appointed the said firm of Cost Accountants to carry out the cost audit for the year 2016-17 on the remuneration as recommended by the Board to be fixed by members in the ensuing Annual General Meeting of the Company.

The Auditors' Report are self-explanatory and therefore do not call for any further explanations/comments.

INTERNAL AUDIT

The Company has engaged M/s. Chaturvedi & Co., Chartered Accountants as its Internal Auditor and their scope of work and the plan for audit has been approved by the Audit Committee. The report submitted by them is regularly reviewed and their findings are discussed with the senior management and suitable corrective action taken on an ongoing basis to improve efficiency in operations.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. MR & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the company for the financial year 2015-16. The report of the Secretarial Audit is annexed herewith as Annexure - III.

SECRETARIAL AUDITORS' REPORT

The Secretarial Auditor have drawn attention of the members in qualified opinion of their report and your directors clarify that corporate governance report submitted by the Company to Bombay Stock Exchange for quarter ended 31st March, 2015 was delivered on 23rd April, 2015 as against stipulated date of 21st April,2015 and also delay in submission of shareholding pattern by one day due to delay in delivery by courier.

OTHER DISCLOSURES

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Companies Act, 2013 stipulates expenditure of 2% of the average profit of past 3 years of CSR activities. The Act requires the Board to constitute a Corporate Social Responsibility Committee of the Board which has already been constituted. The company has formulated CSR Policy for promotion of education, healthcare and other activities which is uploaded on website of the company. The net profit of the Company during last 3 financial years is below the stipulated limit i.e. Rs. 5 crores and hence the relevant provision of the Act is not applicable on the Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System, based on values of integrity and operational excellence. Pursuant to the provisions of section 134(5)(e) of the Act, the Company has in consultation with a reputed consultancy firm strengthened the existing financial controls of the Company. Such internal financial controls were found to be adequate for a size of the company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

Pursuant to Section 134 of the Companies Act, 2013 there has been no material changes and commitments affecting the financial position of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loan, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 is given in the Financial Statement forming part of the Annual Report.

ENVIRONMENT, SAFETY AND DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is conscious of clean environment and safe operations. It ensures safety of all concerned, compliance with environmental regulations and preservation of natural resources. As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013, the Company has an internal policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

INSURANCE

Adequate insurance cover has been taken for properties of the Company including buildings, plant and machineries and stocks against fire, earthquake and other risks as considered necessary.

EXTRACT OF ANNUAL RETURN

The details for the financial year ended 31st March, 2016 forming part of the extract of the annual return is enclosed as Annexure - IV.

CHANGE IN SHARE CAPITAL

During the year ended 31st March, 2016, there is no change in the issued and subscribed capital of your company. The outstanding equity share capital of the company as on 31st March, 2016 is Rs. 752.10 lacs comprising of 3,76,05,123 equity shares of Rs. 2/- each.

NUMBER OF BOARD MEETINGS

The Board of Directors met five times during the year ended 31st March, 2016. The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

COMPOSITION OF COMMITTEE OF DIRECTORS

The Board has constituted the following Committees of Directors: (a) Audit Committee, (b) Nomination & Remuneration Committee. (c) Stakeholder Relationship Committee The detailed composition of above Committees is given in Corporate Governance Report.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in compliance with the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc, which may have potential conflict with the interest of the Company at large. All related party transactions are presented to the Audit Committee and the Board for its approval. The related party transactions policy as approved by the Board is uploaded on Company's website "www.shalimarwires.com". Disclosure as required under Accounting Standard- 18 and in terms of point A(2) to Schedule V of the SEBI Listing Regulations, 2015 have been made in note no. 35 to the financial statements for the year ended 31st March, 2016.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) of the SEBI Listing Regulations, 2015, your Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about our Company including nature of industry in which your Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of the SEBI Listing Regulations, 2015, your Company is required to disseminate on its website, details of familiarisation programme imparted to Independent Directors during the year. During the year under review, five familiarisation programmes were conducted during the Board meeting of the Company.

Further, the Board has open channels of communication with the executives which allows free flow of communication among Directors in terms of raising query, seeking clarifications and other related information.

KEY MANAGERIAL PERSONNEL (KMPs)

There was no change in key managerial personnel during the year under review.

ANNUAL EVALUATION OF BOARD AND IT'S COMMITTEES PERFORMANCE

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the performance evaluation of the Board was carried out during the Financial Year 2015-16.

PARTICULARS OF EMPLOYEES

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure - V to this report.

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism/whistle blower policy. The policy allows intimation by affected persons in good faith of concern or misconduct through a written communication. The Audit Committee oversees the vigil mechanism for disposal of the complaint. Direct access to the Chairman of the Audit Committee is also allowed in exceptional cases. The vigil mechanism/whistle blower policy is available on the Company's website (www.shalimarwires.com)

RISK MANAGEMENT

The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures, which shall be responsible for framing, implementing and monitoring the risk management plan of the company.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably presents your Company's financial condition and results of operations.

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Board of Directors to the best of their knowledge and ability confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis;
- v) The Directors have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INDUSTRIAL RELATIONS

The Company continued to have cordial relations with the employees at its plants located at Uttarpara and Paper Machine Wire unit at Nasik, Registered Office and Branch Offices and the Board records its appreciation for the useful contribution made by them.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation for the support and cooperation extended by the lenders i.e. Financial Institutions and Banks, customers, suppliers, employees, investors and Government Authorities during the year.

Registered Office:

25, Ganesh Chandra Avenue
Kolkata – 700 013
Date: 12th August, 2016

By Order of the Board
Shalimar Wires Industries Limited

Sunil Khaitan
Chairman & Managing Director
DIN-00385961

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Paper Machine Clothings (PMC)

PMC Industries are solely dependent on the Paper making activities. Paper making industries are growing on a verge of 7% p.s. for the last 7 years. Our per-capita paper consumption is only 9.0 Kgs as against world's average of 57.0 Kgs., indicating great potentiality for growth at home. Besides, the real growth in Paper making activity is taking place in Asian region due to availability of Raw Material & Cheaper Workforce while the other part of the world has already come to a saturating stage. Therefore, being stationed in the developing region and with sufficient knowledge about paper making condition of Asian sub-continent, we see a great future in export potentiality for PMC products. We are also in the process of developing new PMC products to fetch more business from export market.

EDM Wires

Use of EDM machines in Tool Room Industry is gaining popularity all over the world. The situation has become challenging to the EDM wire makers with the invention of developed EDM machines and it has increased demand of specialty EDM wires happily, which are the major product of Uttarpara Plant. Similar situation prevails all over the world and with our reputation in export market with our patented products especially to the developed countries, we see a bright future for this product. A new product DYNA "XT" is specially being developed to fetch more business from the export market as well as home market.

OPPORTUNITIES AND THREATS

Paper Machine Clothings (PMC)

After a bad spell, the paper industry both at home and abroad has started doing well and as a result the PMC industries are also looking forward for brighter days. At this stage in the home market when our Company is all set for a better business, a great threat is foreseen from Overseas PMC suppliers of neighboring developing country who have started dumping their products in Indian Paper Mills at a price lower than Indian suppliers, which may drastically reduce the NSR of our products as well as the off-take. Further, PMC suppliers from developed countries have started supplying their latest patented design to large paper mills in India. This becomes biggest threat to the Company. Unless we upgrade our Plant & Machinery and continually develop our product it will be extremely difficult to sustain our market share and further enhance it that depends lot on availability of softer fund for your Company. Your Company is also expected to create new business horizon in Metal Weaving segment creating new domestic & export market.

EDM WIRES

Threat from imported material in Indian market is seriously felt although the speciality products of Shalimar are ruling the home market. In the export front, the market in the developed countries is very large and if quality of the product is maintained consistently the product has a very bright future. We have already obtained Industrial Patent for one of our speciality products while some varieties are waiting for approval. And with increase of price of NF metal, competition has become stiffer. But, we are confident with constant improvement in process, Shalimar would be able to take up the challenge.

OUTLOOK

The outlook of Company appears bright. The Company anticipates modest growth in its operations in coming years and have taken steps to improve further in following areas :-

- Maintain high Quality Standards consistently.
- Create wide based product range to cater to export market.
- Modernize after-sales service.
- Improve efficiency at all states from procurement to disposal.
- Upgrading the Old machinery.
- Develop new design of fabric.

- Implementation of ISO : **9001 : 2015, QMS**
14001 : 2015, EMS
18001 : 2007, OHSAS

RISKS AND CONCERNS

Volatile technological environment and tough competition from domestic as well as foreign markets are area of concern for which Company's focus is to make cost of production more competitive and reduce interest cost by financial restructuring with a view to withstand during downturn. Main area of concern are as under :

- Growth of Indian Paper Industry is yet to be satisfactory.
- Improved technology is expensive.
- Very high interest cost.
- Non availability of fund for expansion & Working Capital, delaying the Implementation of project on time.

INTERNAL CONTROL SYSTEM

The Company has adopted internal control system commensurate with its size. The Company has appointed external firm of Chartered Accountants as Internal Auditors and Company ensures its strict implementation so that assets and business interest of Company are adequately safeguarded. However, SAP implementation is also in progress.

HUMAN RESOURCES

The Company's human resources strategy revolves around development of the individual. The Company undertook various Human Resources Initiative, namely –

- A Performance Management System.
- Training Programmes in the area of behavioural, management and technical skill up-gradation.
- Development of leadership capability
- Maintaining high level of employment relationship

The total Number of Employees employed in the Company as on 31st March, 2016 was 569.

INFORMATION TECHNOLOGY

The Company is making full use of Information Technology, all the branches and the regional offices of the Company are connected with the units by means of internet and ERP implemented is in most of the departments. The Company's *website* namely www.shalimarwires.com provide all the details about the Company, its management and its products. SAP has also been implemented in its Uttarpara Factory.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Health, safety, security and environment (HSSE) is a key priority for your Company. Simply stated, our goals are: no accidents, no harm to people and no damage to environment. The health, safety and security of everyone who works for your Company, is critical to the success of business.

CAUTIONARY STATEMENT

Statement in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, protections, estimates and expectations may constitute forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either.

CORPORATE GOVERNANCE REPORT**1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

- The Company's philosophy of Corporate Governance is to ensure transparency in all dealings and maintain highest standards of professionalism, integrity, accountability, social responsibility, fairness and business ethics. We consider ourselves as Trustees of our shareholders and relentlessly attempt to maximize long term shareholder value.
- The Company confirm the practice of good Corporate Governance codes by the Company in true spirit and are pleased to present below the Report on Corporate Governance.
- Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has executed the fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and Regulation 17 to 27 read with Schedule-V and Clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

2. Board of Directors

As on March 31,2016, the Company has 6 (six) Directors. Out of the six Directors, one is Promoter and Executive Director (Chairman and Managing Director), one is Nominee Director and four are Non-Executive and Independent Directors. Ms. Sunanda Lahiri is Non-Executive Independent Woman Director. The composition of the Board is in conformity with SEBI Listing Regulations, 2015.

During the financial year ended 31st March, 2016, 5 (five) Board Meetings were held on 27.05.2015, 10.08.2015, 09.11.2015, 12.02.2016 and 28.03.2016.

The composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships and Committee Memberships are given below:

Name of Director	Category	No. of Board Meetings Attended during the year	Whether last AGM attended	No. of other Directorship *1	No. of other Committee membership/ Chairmanship *2
Mr. Sunil Khaitan, (DIN-00385961) Chairman & Mg. Director	Promoter and Executive	5	Yes	NIL	NIL
Mr. Manash Chakraborty (DIN-05293875)	Nominee of ARCIL	5	No	NIL	NIL
Mr. Probir Roy (DIN-00033045)	Non-executive Independent	5	No	4	2
Mr. Dipak Rudra, IAS(Retd) (DIN-00240145)	Non-executive Independent	5	Yes	6	3
Mr. Dipak Dasgupta (DIN-01099414)	Non-executive Independent	4	Yes	1	NIL
Ms. Sunanda Lahiri (DIN-00451473)	Non-executive Independent	5	Yes	5	4

*1 Excludes Directorship held in Private Limited Companies, Foreign Companies.

*2 Only covers Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee of other Public Limited Companies.

None of the Directors of the Company's Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all companies in which they are director.

Independent Director (IDs)

During the year under review, the Company appointed Ms. Sunanda Lahiri (DIN 00451473), as Independent Director of the Company to hold office for a period of 5(five) consecutive years for the date of the 19th Annual General Meeting (AGM) of the Company held on 30th September, 2015, in accordance with provisions of the Companies act, 2013, In this regard , the Company issued formal letter of appointment to the Independent Director. All the Independent Directors of the Company furnish declaration annually as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. All requisite declarations were placed before the Board.

Meeting of Independent Directors (Ids)

The Independent Directors (Ids) met on 27th May, 2015 and 28th March, 2016. The meetings were attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The Ids discussed the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarisation Programme for Independent Directors

In terms of Regulation 25(7) of the SEBI Listing Regulations, 2015, the Company is required to conduct Familiarization Programme for Independent Directors (Ids) to familiarise them about their role, rights, responsibility in the Company, nature of industry in which the Company operates, business model of the Company etc. through various programme and any other relevant information. The details of such familiarization programme has also been uploaded on the Company's website: www.shalimarwires.com.

Other provisions

The company has proper systems to enable the Board to periodically review compliance reports prepared by the Company in respect of laws applicable to the Company, as well as steps taken by the Company to rectify any instances of non-compliance.

Code of Conduct for Directors & Senior Management

The Board had framed code of conduct for all the Board members and senior management personnel of the Company focusing transparency, accountability & ethical expression in all acts and deeds. The Code of Conduct has been displayed on the website of the Company. A certificate of affirmation in this regard is attached and forms a part of the Annual Report of the Company.

3. COMMITTEES OF THE BOARD

The Board has currently the following Committees:

- o Audit Committee
- o Nomination and Remuneration Committee
- o Stakeholders Relationship Committee

A. Audit Committee

The roles, terms of reference & composition of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The Committee acts as a link between the Statutory & Internal Auditors and the Board of Directors.

Brief description of Terms of Reference

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company ;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition of Audit Committee

The present composition of the Audit Committee comprises of four members, out of which three are independent directors and one is nominee director. During the financial year ended 31st March, 2016, 4 (four) meetings of the Audit Committee were held on 27.05.2015, 10.08.2015, 09.11.2015 and 12.02.2016.

The composition of Audit Committee and meetings attended by the Members are as follows:

Sl. No	Name	Designation	Category	No. of meetings attended
1	Mr. Dipak Rudra	Chairman	Independent Director	4
2	Mr. Manash Chakraborty	Member	Nominee Director	4
3	Mr. Dipak Dasgupta	Member	Independent Director	3
4	Ms. Sunanda Lahiri *	Member	Independent Director	NA

* Ms. Sunanda Lahiri was appointed as a member of Audit Committee with effect from 12th February, 2016.

The Statutory Auditors and Internal Auditors are invited to attend the meeting as and when necessary. The Cost Auditor as appointed by the Company under section 148 of the Companies Act, 2013 attend the Audit Committee Meeting, as and when necessary.

The Company Secretary acts as the Secretary of the Committee.

The Chairman of the Audit Committee Mr. Dipak Rudra attended the last Annual General Meeting held on 30th September, 2015.

B) Nomination and Remuneration Committee

In accordance with the provisions Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the terms of reference of nomination and remuneration committee includes the following:

- Identify persons who are qualified to become directors;
- Identify persons who may be appointed as key managerial personnel and in senior management positions;
- Recommended to the Board for re-appointment of directors based on performance evaluation of the retiring director;
- Annual evaluation of every director's performance;

- Formulating a remuneration policy of the Company;
- To propose remuneration packages for the Directors and Key Managerial Personnel including senior management;
- Recommending re-constitution of the Board or senior management as may be required from time to time under the prevailing laws and for operational effectiveness of the Company..

Composition of the Committee

The Nomination and Remuneration Committee comprises of four directors, consisting of three independent directors and one nominee director. The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

During the financial year ended 31st March, 2016, (two) meetings of the Nomination and Remuneration Committee was held on 27.05.2015 and 10.08.2015 and the necessary quorum was present for all the meetings. The Chairman of the Nomination and Remuneration Committee was also present at the last Annual General Meeting of the Company. The detail of meeting attended by the Members are as follows:

Sl. No.	Name	Designation	Category	No. of meeting attended
1	Mr. Dipak Rudra	Chairman	Independent Director	2
2	Mr. Manash Chakraborty	Member	Nominee Director	2
3	Mr. Dipak Dasgupta	Member	Independent Director	2
4	Ms. Sunanda Lahiri *	Member	Independent Director	NA

* Ms. Sunanda Lahiri was appointed as a member of Nomination and Remuneration Committee with effect from 12th February, 2016.

Remuneration Policy

• Remuneration to Executive and Non-Executive Directors

Mr. Sunil Khaitan is only whole time Director who is the Chairman & Managing Director of the company and is paid remuneration in terms of the agreement executed between him and the company. The current tenure of Chairman & Managing Director is for a period of three years with effect from 1st April, 2014 which can be further extended by re-appointing him, subject to the approval by Members in the General Meeting. The remuneration paid to Mr. Sunil Khaitan is within the limit as prescribed under Part-II of Section-IIA of Schedule-V of the Companies Act, 2013. The Non-Executive Directors are paid sitting fees as approved by the Board/Committee meetings besides reimbursement of actual traveling and out of pocket expenses. Presently, the Company does not have any scheme for grant of stock options either to the directors or employees of the company.

• Remuneration of key managerial personnel (KMP) and senior managerial personnel (SMP)

Remuneration to KMP and SMP is fixed at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving company goals. The remuneration includes salary, allowances, medical insurance premium, perquisites and other benefits as per the policy of the company.

c) Remuneration to Directors .

The details of remuneration paid/payable to the Directors during the year ended on 31.03.2016 are given below:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Sitting fee (Rs.)	Total (Rs.)	Service Contract if any
Mr.Sunil Khaitan. (Chairman & Mg. Director)	22,20,000	22,90,902 #	-	45,10,902	Yes
Mr. Manash Chakraborty (Nominee Director)			90,000	90,000	Nominee
Mr. Probir Roy			50,000	50,000	No
Mr. Dipak Rudra			1,00,000	1,00,000	No
Mr. Dipak Dasgupta			82,000	82,000	No
Ms. Sunanda Lahiri			50,000	50,000	No
Total	22,20,000	22,90,902	3,72,000	48,82,902	

Perquisites includes contribution to Provident Fund amounting to Rs.2,66,400/- and Bonus for the financial year 2014-15 of Rs.74,000/-.

Performance Evaluation:

Pursuant to the provision of the Companies Act, 2013 and SEBI Listing Regulation,2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. The performance evaluation of the Chairman and the Managing Director and the Non- Independent Directors was carried out by the Independent Director.

C) Stakeholders Relationship Committee**a) Composition of the Committee**

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholders Relationship Committee comprises of four directors, consisting of three independent directors and one nominee director. During the financial year ended 31st March, 2016, four meetings of the said Committee were held on 27.05.2015, 10.08.2015, 09.11.2015 and 12.02.2016 and the necessary quorum was present for all the meetings.

The details of meetings attended by the directors are as follows:

Sl. No	Name	Designation	Category	No. of meetings attended
1	Mr. Dipak Rudra	Chairman	Independent Director	4
2	Mr. Manash Chakraborty	Member	Nominee Director	4
3	Mr. Dipak Dasgupta	Member	Independent Director	3
4	Ms. Sunanda Lahiri*	Member	Nominee Director	NIL

* Ms. Sunanda Lahiri was appointed as a member of Stakeholders relationship Committee with effect from 12th February, 2016.

b) Terms of Reference

The terms of reference of Stakeholders Relationship Committee are as follows :

- i) Ensure redressal of Shareholders and Investors complaints relating to transfer of shares, Non-receipt of balance sheet etc.
- ii) Redressal of Investors complaints in respect of non-receipt of interest/redemption proceeds against the non-convertible debenture.
- iii) To oversee the performance of Maheshwari Datamatics Pvt. Ltd., the Registrar and Share Transfer Agent.
- iv) To delegate the powers of approving transfer of shares/debentures to the Company's Registrar under the supervision and control of the Company Secretary, subject to placing of the summary statement of transfer/ transmission etc. of shares/debentures of the company at the committee meeting.
- v) To implement and monitor the various requirement as set out in the Code of Conduct for provision of insider trading pursuant to the provisions of the SEBI (prohibition of Insider Trading Regulations, 1992.)

As per SEBI guidelines, the powers of processing of the share transfers, both physical and demat mode have been delegated to M/s. Maheshwari Datamatics Pvt. Ltd. in order to expedite the process of share transfers, issue of duplicate certificates and certificates after split/consolidation/renewal and rematerialisation. Mr. S.K. Kejriwal, Company Secretary has been appointed as the compliance officer for complying with the requirement of SEBI and the listing agreement.

The Company confirms that there were no share transfers lying pending as on 31.03.2016 and all requests for dematerialisation and re-materialisation of shares as on that date were confirmed/rejected into the NSDL/CDSL system. Details of shareholders' complaints received and resolved during the period April, 2015 to March, 2016 :-

- a) Number of Shareholders' complaints received during the year : Nil
- b) Number of Shareholders' complaints resolved during the year : Nil
- c) Number of complaints not resolved to the satisfaction of shareholders : Nil
- d) Number of complaints pending : Nil

OTHER COMMITTEES**A) Corporate Social Responsibility Committee**

Corporate Social Responsibility (CSR) Committee of the Board was constituted on 19th May, 2014 in order to formulate and recommend the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company formulated CSR Policy, which is uploaded on the website of the Company (Web link: http://www.shalimarwires.com/code_of_conduct.php)

Composition

Sl. No	Name	Designation	Category
1	Mr. Sunil Khaitan	Chairman	Chairman and Managing Director
2	Mr. Manash Chakraborty	Member	Nominee Director
3	Mr. Dipak Rudra	Member	Independent Director
4	Mr. Probir Roy	Member	Independent Director
5.	Mr. Dipak Dasgupta	Member	Independent Director

Terms of Reference of the Committee, inter alia, includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder
2. To recommend the amount of expenditure to be incurred on the CSR activities
3. To monitor the implementation of the CSR Policy of the Company from time to time

B) Risk Management Committee

The Company has laid down procedure to inform board members about the risk assessment and minimization procedures. The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company.

Composition of the Committee

Sl. No	Name	Designation	Category
1.	Mr. Sunil Khaitan	Chairman	Chairman and Managing Director
2.	Mr. Dipak Rudra	Member	Independent Director
3.	Mr. Dipak Dasgupta	Member	Independent Director
4.	Mr. R.P. Dhanuka	Member	Sr. President
5.	Mr. S.J. Sengupta	Member	Sr. VP & CFO
6.	Mr. S.K. Kejriwal	Member	Company Secretary

Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk Minimisation
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- Performing such other functions as may be necessary or appropriate for the performance of its oversight function

4. General Body Meetings

The last three Annual General Meeting were held as under :

Financial Year	Date and Time	Venue	No. of Special Resolution
2014-2015	30th September, 2015 10.00 A.M.	Science City Mini Auditorium	None
2013- 2014	29th September, 2014 10.00 A.M.	Science City Mini Auditorium Kolkata	<ul style="list-style-type: none"> • Alteration of Articles of Association u/s.14 of the Companies Act, 2013. • Reappointment of Managing Director u/s 196, 197, 203 of the Companies Act, 2013. • Increasing in borrowing limit u/s. 180(1)(c) of the Companies Act, 2013.
2012-2013	23rd September, 2013 10.00 A.M.	Science City Mini Auditorium Kolkata	None

In the last AGM held on 30.09.2015 no resolution was passed through Postal Ballot.

There is no proposal for passing any resolution through Postal Ballot in the ensuing AGM.

5. Disclosures**i) Related party transactions :**

Related Party transactions have been disclosed under Note No. 35 to the accounts for year under review and it is not conflict with the interest of the Company.

As required under SEBI Listing Regulations, 2015 the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the Company's website www.shalimarwires.com.

ii) Accounting Treatment :

In the preparation of the financial statement, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

iii) Details of non- compliance by the Company, penalties, strictures imposed on the Company by the stock Exchanges, SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years:

The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015 wherever applicable. No penalties or stricture have been imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters related to Capital Markets during the last three years except two cases of Bombay Stock Exchange for late submission of Shareholding pattern by one day and quarterly compliance on Corporate Governance by two days.

iv) Vigil Mechanism/ Whistle Blower Policy:

Pursuant to Section 177(9) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. the Company has framed a Vigil Mechanism /Whistle Blower Policy and the same has also been placed in the website of the Company. None of the employees has been denied access to the Audit Committee.

v) Details of compliance of mandatory and non- mandatory requirements:

The Company has complied with all the applicable mandatory requirements. Adoption of non-mandatory requirements of SEBI Listing Regulations, 2015 is being reviewed by the Board from time to time.

6. Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the Designated employees while in possession of unpublished price sensitive information in relation to the Company and during the when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. The Policy is available on the Company's website www.shalimarwires.com.

7. Policy against Sexual Harrassment:

The Company is committed to foster a gender friendly work place, it seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the work place and institute good employment practices.

8. CEO & CFO Certification

Mr. Sunil Khaitan, Chairman and Managing Director and Mr. S.J. Sengupta, Sr. V.P. and CFO have provided annual certification on the financial statements to the Board as required under SEBI Listing Regulations, 2015.

9. Means of Communication

- (i) The quarterly unaudited financial results and the audited financial results as approved and taken on record by the Board of Directors of the company are published during the year under review in leading national newspapers viz Financial Express (all edition) and a local language newspaper and also sent immediately to all the Stock Exchanges with which the shares of the Company are listed. The annual reports are sent to every shareholder of the Company.
- (ii) The Company's financial results are displayed on the Company's website www.shalimarwires.com.
- (iii) The Company has a separate e-mail secretarial@shalimarwires.com for investors to intimate their grievances, if any.

8. General Shareholders Information:

a) Annual General Meeting																																								
Date	28th September, 2016																																							
Time	10.00 A.M.																																							
Venue	Science City Mini Auditorium, J.B.S. Haldane Avenue, Kolkata-700 046																																							
b) Financial Calender (tentative) for the year 2016 – 2017	1st Quarterly results on 12th August, 2016 2nd “ “ On or before 14th Nov, 2016 3rd “ “ On or before 14th Feb, 2017 4th “ “ On or before 15th May, 2017																																							
c) Book Closure Date	22nd September, 2016 to 28th September, 2016 (both days inclusive)																																							
d) Listing of Equity shares on Stock Exchanges	The Company's shares are listed on the Stock Exchanges at:- <ul style="list-style-type: none"> • Calcutta Stock Exchange (Stock Code 100294) • Bombay Stock exchange (Stock Code 532455) The listing fees for the period 2016-2017 have been paid to both the Stock Exchanges. Demat ISIN Number in NSDL and CDSL: INE 655 D 01025																																							
e) Market Price Data	The market price data (Monthly High/Low) of the company's Equity Shares traded on The Stock Exchange, Mumbai during the period April 2015 to March 2016 is given below. There was no trading in Calcutta stock exchange. BOMBAY STOCK EXCHANGE LTD. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> </tr> </thead> <tbody> <tr><td>April, 15</td><td>4.02</td><td>3.56</td></tr> <tr><td>May, 15</td><td>4.04</td><td>3.60</td></tr> <tr><td>June, 15</td><td>3.90</td><td>3.53</td></tr> <tr><td>July, 15</td><td>4.58</td><td>3.34</td></tr> <tr><td>Aug, 15</td><td>4.78</td><td>4.20</td></tr> <tr><td>Sept, 15</td><td>4.72</td><td>4.26</td></tr> <tr><td>Oct, 15</td><td>5.25</td><td>3.88</td></tr> <tr><td>Nov, 15</td><td>5.60</td><td>4.82</td></tr> <tr><td>Dec, 15</td><td>5.25</td><td>4.31</td></tr> <tr><td>Jan, 16</td><td>5.51</td><td>3.81</td></tr> <tr><td>Feb, 16</td><td>5.50</td><td>4.83</td></tr> <tr><td>Mar, 16</td><td>4.90</td><td>3.44</td></tr> </tbody> </table>	Month	High	Low	April, 15	4.02	3.56	May, 15	4.04	3.60	June, 15	3.90	3.53	July, 15	4.58	3.34	Aug, 15	4.78	4.20	Sept, 15	4.72	4.26	Oct, 15	5.25	3.88	Nov, 15	5.60	4.82	Dec, 15	5.25	4.31	Jan, 16	5.51	3.81	Feb, 16	5.50	4.83	Mar, 16	4.90	3.44
Month	High	Low																																						
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Jan, 16	5.51	3.81																																						
Feb, 16	5.50	4.83																																						
Mar, 16	4.90	3.44																																						

g) Registrar and Share Transfer Agent	Maheshwari Datamatics Pvt.Ltd. 6, Mangoe Lane, 2nd Floor Kolkata – 700 001
h) Share Transfer System	The Company's shares are in compulsory demat mode. The share received for transfer in physical mode are generally registered within a period of 15 days from the date of receipt, if the documents are clear in all respect. Shares under objection are returned within two weeks. Stakeholders Relationship Committee considers & approves the transfer proposals.
i) Distribution of shareholding & shareholding Pattern.	As attached and forms a part of annual report
j) Dematerialisation of shares	The shares of the Company are compulsorily traded in dematerialized form under depository system of both the National Securities Depository Ltd.(NSDL) and the Central Depository Services (India) Ltd. (CDSL). Company's Electronic Connectivity Registrar is Maheshwari Datamatics Pvt.Ltd., 6, Mangoe Lane, Kolkata – 700 001. As on 31st March, 2016, 98.60 % of the paid up share capital of the Company representing 37077131 Nos. of equity shares held in demat form with NSDL and CDSL.
k) Corporate Identity Number (CIN)	L74140WB1996PLC081521
l) Factory location	The Company's factories are located at the following places :- 1. 77, Netaji Subhas Road, Uttarpara, Dist.Hooghly,W.B. 2. Paper Machine Wire Unit, 73, Industrial Estate, Satpur, Nashik – 422 007
m) Address for correspondence	With the Company: Share Department 25, Ganesh Chandra Avenue, 2 nd Floor, Kolkata – 700 013 Tel.Nos : (033) 2234-9308/09/10 Fax No. : (033) 2211-6880 E-mail : secretarial@shalimarwires.com Website : http://www.shalimarwires.com With the Registrar: Maheshwari Datamatics Pvt.Ltd. 6, Mangoe Lane, 2 nd Floor Kolkata – 700 001 Tel.Nos: (033) 2243-5029/5809, (033) 2248-2248 Fax : (033) 2248 5787 E-mail : mdpl@cal..vsnl.net.in

DECLARATION IN RESPECT OF COMPLIANCE WITH THE CODE OF CONDUCT

It is hereby declared that all Board Members, Key Managerial Personnel and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct of the Company, for the financial year ended 31st March, 2016..

Place : Kolkata
Dated : 12th August, 2016

Sunil Khaitan
Chairman & Managing Director

APPENDIX

PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2016

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Promoters/Directors & their relatives including associate companies.	18	0.13	2,78,23,982	73.99
Financial Institutions/Insurance Companies/Mutual Funds & Bank	24	0.17	7,77,420	2.03
Non-resident Indians/Overseas corporate bodies.	25	0.17	12,335	0.03
Other bodies corporate	124	0.86	70,42,478	18.73
Indian Public	14190	98.67	19,48,908	5.22
Total	14381	100.00	3,76,05,123	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	13936	96.91	8,20,759	2.18
501-1000	189	1.31	1,57,292	0.42
1001-5000	178	1.24	3,96,049	1.05
5001-10000	27	0.19	1,94,023	0.52
10001 and above	51	0.35	3,60,37,000	95.83
Total	14381	100.00	3,76,05,123	100.00

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SHALIMAR WIRES INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by Shalimar Wires Industries Limited ("the Company") for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions contained in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations') pursuant to the Listing Agreement of the Company with the Stock Exchanges for the period December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance as stipulated in said Clause 49 of the Listing Agreement and SEBI regulations. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and as per representation made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of Listing Agreements and the SEBI regulations.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **S.S.KOTHARI & CO.**
Chartered Accountants
(Firm Regn. No. 302034E)

CA P.K. Bhattacharya
Partner
Membership No. 015899

Place : Kolkata
Date : 12th August, 2016

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 :

A. Conservation of Energy

(i)	The steps taken or impact on Conservation of Energy	<ol style="list-style-type: none"> 1. Earlier, we have installed APFC panel to increase Power factor. Due to installation of additional looms in HP side, we propose to add more number of APFC panel to compensate from HP side transformer. 2. We have proposed to introduce Energy monitoring with real time software system which is in process.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Nil
(iii)	The capital investment on energy conservation equipments	Nil

B. Technology Absorption

(i)	The efforts made towards technology absorption	<ol style="list-style-type: none"> i) WISS, Long Float & 16SH. SSB are some new designs developed and sent to market for better life of fabric as well as for better quality of paper. ii) 3 looms have been installed so far to increase the productivity. iii) Woven Dryer Screen is being developed for high speed paper machines. iv) 2 Nos. of new spiral machines installed in our Link Canvas Dept. to increase productivity. v) Jumbo SLC developed for more life.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> i) With the development of above designs, we have been able to increase product life of highly abrasive machines and increase the scope of supply to different kind of paper machines, which ultimately leads to increase in business. ii) After introducing 3 more looms in synthetic weaving, the productivity & quality of fabric produced will improve simultaneously. iii) We have started manufacturing different grades of woven dryer fabrics thereby we are catering into this segment of market, which has got growing demand considering the fact of technological up-gradation of paper making process. It has been added in our produce range to cater the segment thereby increasing the business and turn-over of the company. iv) After introducing two numbers of new spiral machines, we are able to increase our productivity with increased product range.

SHALIMAR WIRES INDUSTRIES LIMITED

(iii)	<p>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>a) the details of technology imported</p> <p>b) the year of import</p> <p>c) whether the technology been fully absorbed</p> <p>d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and</p>	Nil
(iv)	the expenditure incurred on research and development	Rs 6.18 lacs

C. Foreign exchange earnings and outgo :

- (i) Foreign exchange earned in terms of actual inflow : Rs 2069.53 lacs
- (ii) Foreign exchange outgo in terms of actual outflow : Rs 2853.54 lacs

MR & Associates
 Company Secretaries
 46, B. B. Ganguly Street,
 Kolkata-700012
 Moblie No: 9831074332
 Email : goenkamohan@hotmail.com

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
SHALIMAR WIRES INDUSTRIES LIMITED
 25, Ganesh Chandra Avenue,
 P S Bowbazar,
 Kolkata- 700013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHALIMAR WIRES INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable

I further report that, there were no actions/ events in pursuance of;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (f) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, we further report that the Company has complied with the following laws applicable specifically to the Company:

- (a) Sick Industrial Companies (Special Provisions) Act, 1985
- (b) Factories Act, 1948
- (c) Payment of Wages Act, 1936

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India, notified w.e.f 1st July' 2015
- (ii) The Listing Agreements entered into by the Company with BSE Limited and Calcutta Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (a) As per Clause 49 of Listing Agreement, the Company has intimated to the Stock Exchanges regarding Compliance Report on Corporate Governance for March, 2015, beyond the time limit as specified.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are no specific events actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this Report.

For **MR & Associates**
Company Secretaries

[M R Goenka]
Partner

Place : Kolkata
Date : 12.08.2016

FCS No.:4515
C P No.:2551

“ANNEXURE – A”

(TO THE SECRETARIAL AUDIT REPORT OF SHALIMAR WIRES INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016)

To,
The Members
SHALIMAR WIRES INDUSTRIES LIMITED
25, Ganesh Chandra Avenue,
P S Bowbazar,
Kolkata- 700013

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MR & Associates**
Company Secretaries

[M R Goenka]
Partner

Place : Kolkata
Date : 12.08.2016

FCS No.:4515
C P No.:2551

FORM NO. MGT-9

Extract of annual return as on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L74140WB1996PLC081521
ii)	Registration Date	13th September, 1996
iii)	Name of the Company	SHALIMAR WIRES INDUSTRIES LIMITED
iv)	Category/Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	25, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700013
vi)	Whether listed company or not	YES
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 6, Mangoe Lane, (2nd Floor), Kolkata - 700 001 Phone : 033-2243 5029/5809; Fax : 033-2248 4787 E-mail : mdpl@cal.vsnl.net.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Synthetic Forming Fabric	3548	67%
2.	Metal Fourdrinier Wire Cloth	3313	22%
3.	EDM Wire	3333	11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NOT APPLICABLE					

IV. i) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2015]				No of Shares held at the end of the year [As on 31/Mar/2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	12696169	0	12696169	33.7618	12696169	0	12696169	33.7618	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	15127813	0	15127813	40.2281	15127813	0	15127813	40.2281	0.0000
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	27823982	0	27823982	73.9899	27823982	0	27823982	73.9899	0.0000
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/Fi									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	27823982	0	27823982	73.9899	27823982	0	27823982	73.9899	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	679	679	0.0018	0	679	679	0.0018	0.0000
b) Banks/Fi	400	12765	13165	0.0350	400	12765	13165	0.0350	0.0000
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	763576	0	763576	2.0305	763576	0	763576	2.0305	0.0000
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	763976	13444	777420	2.0673	763976	13444	777420	2.0673	0.0000

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2. Non-Institutions									
a) Bodies Corp.									
i) Indian	7044317	15021	7059338	18.7723	7027481	14997	7042478	18.7274	-0.2388
ii) Overseas	0	27	27	0.0001	0	27	27	0.0001	0.0000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1250929	505089	1756018	4.6696	1247614	499315	1746929	4.6455	-0.5176
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	176313	0	176313	0.4689	179648	0	179648	0.4777	1.8915
c) Others (Specify)									
Non Resident Indians	11791	209	12000	0.0319	12099	209	12308	0.0327	2.5667
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	25	0	25	0.0001	22306	0	22306	0.0593	89124.0000
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	0	0	0	0.0000	25	0	25	0.0001	100.0000
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Sub-total(B)(2):-	8483375	520346	9003721	23.9429	8489173	514548	9003721	23.9428	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9247351	533790	9781141	26.0102	9253149	527992	9781141	26.0101	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	37071333	533790	37605123	100.0001	37077131	527992	37605123	100.0000	0.0000

ii) Shareholding of Promoters-

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2015]			Shareholding at the end of the year [As on 31/Mar/2016]			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	SUNITA KHAITAN	10118900	26.9083	100.0000	10118900	26.9083	100.0000	0.0000
2	RELIANCE SHEET WORKS PVT LTD	7251481	19.2832	100.0000	7251481	19.2832	100.0000	0.0000
3	AMIT COMMERCIAL CO LTD	7230132	19.2265	100.0000	7230132	19.2265	100.0000	0.0000
4	VEDANT KHAITAN	1000408	2.6603	99.9592	1000408	2.6603	100.0000	0.0000
5	UMAESH KUMAR KHAITAN	306074	0.8139	100.0000	306074	0.8139	100.0000	0.0000
6	SUMANGLA INVESMENT COMPANY LTD	280992	0.7472	100.0000	280992	0.7472	100.0000	0.0000

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7	SUNIL KUMAR KHAITAN	274662	0.7304	100.0000	274662	0.7304	100.0000	0.0000
8	SUDHIR KUMAR KHAITAN	274461	0.7299	100.0000	274461	0.7299	100.0000	0.0000
9	ANIL KUMAR KHAITAN	233450	0.6208	100.0000	233450	0.6208	100.0000	0.0000
10	ESQUIRE ENGINEERING LTD	161547	0.4296	100.0000	161547	0.4296	100.0000	0.0000
11	SARITA KHAITAN	159915	0.4252	100.0000	159915	0.4252	100.0000	0.0000
12	RASHMI KHAITAN	118640	0.3155	100.0000	118640	0.3155	100.0000	0.0000
13	SHALIMAR HOLDINGS LTD	112343	0.2987	100.0000	112343	0.2987	100.0000	0.0000
14	SITA DEVI KHAITAN	88512	0.2354	100.0000	88512	0.2354	100.0000	0.0000
15	SAM TUL INVESTMENTS LTD	87328	0.2322	100.0000	87328	0.2322	100.0000	0.0000
16	SASHI PRABHA KHAITAN	67193	0.1787	100.0000	67193	0.1787	100.0000	0.0000
17	KAVITA KHAITAN	53954	0.1435	100.0000	53954	0.1435	100.0000	0.0000
18	AGRO CHEMICALS AND FERTILIZERS LTD	3990	0.0106	100.0000	3990	0.0106	100.0000	0.0000
	TOTAL	27823982	73.9899	99.9985	27823982	73.9899	100.0000	0.0000

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding at the beginning [01/Apr/15]/end of the year [31/Mar/16]		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ESQUIRE ENGINEERING LTD				
	01-04-2015	161547	0.4296		
	31-03-2016	161547	0.4296	161547	0.4296
2	RELIANCE SHEET WORKS PVT LTD				
	01-04-2015	7251481	19.2832		
	31-03-2016	7251481	19.2832	7251481	19.2832
3	SAM TUL INVESTMENTS LTD				
	01-04-2015	87328	0.2322		
	31-03-2016	87328	0.2322	87328	0.2322
4	SHALIMAR HOLDINGS LTD				
	01-04-2015	112343	0.2987		
	31-03-2016	112343	0.2987	112343	0.2987
5	AMIT COMMERCIAL CO LTD				
	01-04-2015	7230132	19.2265		
	31-03-2016	7230132	19.2265	7230132	19.2265
6	AGRO CHEMICALS AND FERTILIZERS LTD				
	01-04-2015	3990	0.0106		
	31-03-2016	3990	0.0106	3990	0.0106
7	SUMANGLA INVESMENT COMPANY LTD				
	01-04-2015	280992	0.7472		
	31-03-2016	280992	0.7472	280992	0.7472

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8	SUNIL KUMAR KHAITAN				
	01-04-2015	274662	0.7304		
	31-03-2016	274662	0.7304	274662	0.7304
9	ANIL KUMAR KHAITAN				
	01-04-2015	233450	0.6208		
	31-03-2016	233450	0.6208	233450	0.6208
10	RASHMI KHAITAN				
	01-04-2015	118640	0.3155		
	31-03-2016	118640	0.3155	118640	0.3155
11	SUDHIR KUMAR KHAITAN				
	01-04-2015	274461	0.7299		
	31-03-2016	274461	0.7299	274461	0.7299
12	UMAESH KUMAR KHAITAN				
	01-04-2015	306074	0.8139		
	31-03-2016	306074	0.8139	306074	0.8139
13	SARITA KHAITAN				
	01-04-2015	159915	0.4252		
	31-03-2016	159915	0.4252	159915	0.4252
14	SUNITA KHAITAN				
	01-04-2015	10118900	26.9083		
	31-03-2016	10118900	26.9083	10118900	26.9083
15	SITA DEVI KHAITAN				
	01-04-2015	88512	0.2354		
	31-03-2016	88512	0.2354	88512	0.2354
16	KAVITA KHAITAN				
	01-04-2015	53954	0.1435		
	31-03-2016	53954	0.1435	53954	0.1435
17	VEDANT KHAITAN				
	01-04-2015	1000408	2.6603		
	31-03-2016	1000408	2.6603	1000408	2.6603
18	SASHI PRABHA KHAITAN				
	01-04-2015	67193	0.1787		
	31-03-2016	67193	0.1787	67193	0.1787

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name	Shareholding at the beginning [01/Apr/15]/end of the year [31/Mar/16]		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ADROIT TRADELINK PRIVATE LIMITED				
	01-04-2015	158000	0.4202		
	31/12/2015 - Transfer	549	0.0015	158549	0.4216
	31-03-2016	158549	0.4216	158549	0.4216
2	LIFE INSURANCE CORPORATION OF INDIA				
	01-04-2015	671950	1.7869		
	31-03-2016	671950	1.7869	671950	1.7869
3	RAJPUTANA INVESTMENT SOCIETY PRIVATE LIMITED				
	01-04-2015	172324	0.4582		
	31-03-2016	172324	0.4582	172324	0.4582
4	THE ORIENTAL INSURANCE COMPANY LIMITED				
	01-04-2015	91526	0.2434		
	31-03-2016	91526	0.2434	91526	0.2434
5	FOUNTAIN VANIJYA PRIVATE LIMITED				
	01-04-2015	100000	0.2659		
	31-03-2016	100000	0.2659	100000	0.2659
6	MAGADH TRADERS LTD				
	01-04-2015	104245	0.2772		
	31-03-2016	104245	0.2772	104245	0.2772
7	MANGLAM INDIA LIMITED				
	01-04-2015	165702	0.4406		
	31-03-2016	165702	0.4406	165702	0.4406
8	DHM TRADING PVT LTD				
	01-04-2015	102964	0.2738		
	31-03-2016	102964	0.2738	102964	0.2738
9	ASSET RECONSTRUCTION COMPANY (INDIA) LTD. (TRUST HOLDINGS)				
	01-04-2015	5950000	15.8223		
	31-03-2016	5950000	15.8223	5950000	15.8223
10	MANOJ AGARWAL				
	01-04-2015	111310	0.2960		
	17/04/2015 - Transfer	3335	0.0089	114645	0.3049
	31-03-2016	114645	0.3049	114645	0.3049

SHALIMAR WIRES INDUSTRIES LIMITED

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning [01/Apr/15]/ end of the year [31/Mar/16]		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SUNIL KUMAR KHAITAN				
	01-04-2015	274662	0.7304		
	31-03-2016	274662	0.7304	274662	0.7304

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment :

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total (Rs. in lacs)
Indebtedness at the beginning of the financial year (1st April, 2015)				
i) Principal Amount	7607	750	-	8357
ii) Interest due but not paid	17579	32	-	17611
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	25186	782	-	25968
Change in indebtedness during the financial year				
Addition	577	1010	-	1587
Reduction	1300	32	-	1332
Net change	-723	978	-	255
Indebtedness at the end of the financial year (31st March, 2016)				
i) Principal Amount	6804	1760	-	8564
ii) Interest due but not paid	17659	-	-	17659
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24463	1760	-	26223

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount (Rs.in lacs)
		Mr. Sunil Khaitan	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.20	22.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19.51*	19.51
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify		
	Total (A)	41.71	41.71
	Ceiling as per the Act	42.00	42.00

*Excluding Provident Fund contribution of Rs. 2.66 lacs.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.in Lacs)
		Mr. Dipak Rudra	Mr. Probir Roy	Mr. Dipak Dasgupta	Ms. Sunanda Lahiri	
1.	Independent Directors					
	• Fee for attending board/ committee meetings	1.00	0.50	0.82	0.50	2.82
	• Commission	NIL	NIL	NIL	NIL	-
	• Others, please specify	NIL	NIL	NIL	NIL	-
	Total (1)	1.00	0.50	0.82	0.50	2.82
2.	Other Non-Executive Directors	Mr. Manash Chakraborty (Nominee of ARCIL)				
	Fee for attending board committee meet	0.90				0.90
	Commission	-				-
	Others, please specify	-				-
	Total (2)					0.90
	Total (B)=(1+2)					3.72
	Total Managerial Remuneration					45.43
	Overall Ceiling as per the Act	All the independent and non-executive Directors have been paid only sitting fees for attending Board meetings and Committee meetings which is well within the limits prescribed under the Companies Act, 2013.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total (Rs.in lacs)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.02	8.17	20.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.12	6.99	17.11
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	22.14	15.16	37.30

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding Fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made, if any(give details)
A. COMPANY					
Penalty	NIL	---	NONE	---	
Punishment	NIL	---	NONE	---	
Compounding	NIL	---	NONE	---	
B. DIRECTORS					
Penalty	NIL	---	NONE	---	
Punishment	NIL	---	NONE	---	
Compounding	NIL	---	NONE	---	
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	---	NONE	---	
Punishment	NIL	---	NONE	---	
Compounding	NIL	---	NONE	---	

ANNEXURE - V

STATEMENT OF DISCLOSURE OF REMUNERATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i)	The ratio of the remuneration of Chairman & Managing Director to the median remuneration of the employees of the Company for the financial year :				
	Directors				Ratio
	Mr. Sunil Khaitan, Chairman & Managing Director				1:50
(ii)	The percentage increase in remuneration of Chairman & Managing Director, Chief Financial Officer and Company Secretary in the financial year :				% increase (decrease)
	Mr. Sunil Khaitan, Chairman & Managing Director				NIL
	Mr. S.J. Sengupta, CFO				7.68%
	Mr. S.K. Kejriwal, Company Secretary				7.97%
(iii)	The percentage increase in the median remuneration of employees in the financial year :				11.15%
(iv)	The number of permanent employees on the rolls of company : (as on 31st March, 2016)				569
(v)	The explanation on the relationship between average increase in remuneration and company performance :				
	The Company's operating profits was lower by 13.6%. In the wake of difficult market conditions, the average increase in remuneration of all employees after giving effect of changes in dearness allowance and annual increment considering inflation and performance of respective employees was around 11.15 %.				
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company				(Rs. in lacs)
	Aggregate remuneration of all key managerial personnel (KMPs) in FY 2015-16				79.01
	Profit before Tax (PBT) in FY 2015-16				10.62
	Remuneration of KMPs (as % of overall performance of the Company)				NA
(vii)	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer :				
		As at 31st March, 2016	As at 31st March, 2015	Variation	%Variation
	Market Capitalization	Rs. in lacs 1357.55	Rs. in lacs 1293.61	Rs. in lacs 63.94	4.95%
	Price Earnings	N.A.	N.A.	N.A.	N.A.
		As at 31st March, 2016	Last IPO	Bonus Issue adjustment	%Variation
	Market Price (In Rs.)	3.61	NIL	NIL	4.95%

(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:		
	Average percentile increase is 11.15% in respect of all the employees except managerial personnel and there are no exceptional circumstances for increase in managerial remuneration.		
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company		
		Remuneration (Rs. in lacs)	Profit before Tax (PBT) (Rs. in lacs)
	Mr. Sunil Khaitan, Chairman and Managing Director	41.71	10.62
	Mr. S.J. Sengupta, CFO	22.14	-
	Mr. S.K. Kejriwal, Company Secretary	15.16	-
(x)	The key parameters for any variable component of remuneration availed by the directors		
	Variable component of remuneration availed by the directors.		NIL
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :		
	No employee received remuneration in excess of the highest paid director, being the Chairman and Managing Director of the Company		
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company		
	The Company affirms that the remuneration paid to employees is in accordance with the Remuneration Policy of the Company		

INDEPENDENT AUDITORS' REPORT

To the Members of Shalimar Wires Industries Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of SHALIMAR WIRES INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards, and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Financial Statements.

Basis for Qualified Opinion

- (a) No provision has been made against Long Term and Short Term Loans and Advances given by the Company, which remained unrealised for long, amounting to Rs. 40,617,747 and Rs. 16,094,626 respectively (Refer Footnote - (i) of Note No. 14 & Note No. 19)
- (b) No provision has been made for Claims Receivable remaining outstanding for long, amounting to Rs. 2,697,618. (Refer Note No. 15)

- (c) No provision has been made for Trade Receivables, remaining outstanding for long, amounting to Rs. 20,021,029. (Refer Note No. 17)
- (d) No provision has been made for Interest on Debentures and Interest on Term Loan payable to IDBI for Rs. 15,113,502 and Rs. 26,298,992 respectively due to reasons stated in Footnote No (b) (ii) to Note No. 4.
- (e) The Accounting Standard on Contingent Liabilities have not been fully complied with as disclosed in Footnote No. 2 to 4 of Note No. 29, the quantum of non-provision in respect whereof is not ascertained pending settlement / disposal of disputes.
- (f) Refer Note No. 31, regarding non adjustment for sale of properties due to stated therein. The effect of which is not readily ascertainable.
- (g) Non-provision of Items indicated in (a) to (f) above constitute a departure from the Accounting Standards referred to in Section 133 of the Act. Without considering Item Nos. (e) & (f) above, whose impact on the Company's Statement of Profit and Loss is presently non-ascertainable, had the provisions indicated in Item Nos. (a) to (d) been made,
 - (i) The Loss for the year would have increased by Rs. 120,843,514
 - (ii) Long Term and Short Term Loans & Advances would have decreased by Rs. 40,617,747 and Rs. 16,094,626 respectively
 - (iii) Other Non-Current Assets would have decreased by Rs. 2,697,618
 - (iv) Trade Receivables would have decreased by Rs. 20,021,029
 - (vi) Other Current Liabilities would have increased by Rs. 41,412,494 and
 - (vii) The Shareholders' Fund would have been lower by Rs. 120,843,514

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Financial Statements give the information by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw your attention to the following matters in the Notes to the Financial Statements:

1. Note No. 29 to the financial statements, which describe the uncertainty related to the outcome of the lawsuits indicated therein.
2. Note No. 36 in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred net loss during the current and previous years, and the Company's current liabilities exceeded its current assets as at the Balance Sheet date. These conditions, along with other matters set forth in Notes to Financial Statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, these Financial Statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Sub-section (11) of Section 143 of the Act, we enclose in the Annexure – A a statement on the matters specified in the said Order, to the extent applicable to the Company.

- ii) As required by Section 143(3) of the Act, we report that
- a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014;
 - e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) The going concern matter described in sub-paragraph (3) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - g) On the basis of written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - h) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure – B.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position, wherever ascertainable – Refer Note No. 29
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loss.
 - iii. The Board for Industrial and Financial Reconstruction, vide its Order dated 10th June, 2010, has exempted the Company from transferring any amount to the Investor Education and Protection Fund.

Place : Kolkata
Date : 21st May, 2016

For **S. S. KOTHARI & CO.**
Chartered Accountants
FR No. 302034E
P. K. BHATTACHARYA
Partner
(Membership No. 015899)

Annexure to the Auditors Report

The Annexure referred to in our report to the members of M/S, Shalimar Wires Industries Limited for the year ended 31st March, 2016.

We report that :

(i) (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	(b) The fixed assets, except those at the Strip & Wire Unit at Nasik, which is under closure , have been physically verified under a phased program of physical verification. To the best of our knowledge, no material discrepancies were noticed on such verification.
(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, which remain deposited with the ICICI Bank, are held in the name of the Company, subject to charges created in favour of the lenders of the Company.
(ii) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	(ii) The Inventories have been physically verified by the management at reasonable intervals during the year and discrepancies noticed on such physical verification, which were not material, have been properly dealt with in the books of account.
(iii) Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	(iii) The Company has granted Unsecured Loans to two companies covered in the register maintained under Section 189 of the Companies Act, 2013.
(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	(a) The Company, in earlier years, had granted Unsecured Loans to two companies covered in the register maintained under Section 189 of the Companies Act, 2013 and the terms and conditions of such loans are not prejudicial to the interest of the Company
(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	(b) Receipt of principal amount and interest are not regular.
(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	(c) The aforesaid loans to Related Parties Rs.16,094,626 have become overdue and are doubtful of recovery. As explained to us legal action has been initiated by the Company in these regards.
(iv) In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 185 and 186 of the Act, with regard to loans and investments made.

<p>(v) In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules framed there under, where applicable, have been complied with? if not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?</p>	<p>(v) The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act.</p>												
<p>(vi) Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.</p>	<p>(vi) The Central Government has specified maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for Metal Wire Cloth manufactured by the Company. We have broadly reviewed such accounts and records and we are of the opinion that the accounts and records have been made and maintained by the Company. However, we have not made any detailed examination of such records in order to ascertain whether those are complete and accurate.</p>												
<p>(vii) (a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;</p>	<p>(vii) (a) According to the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty and other statutory dues with appropriate authorities, except the following amounts relating to Discontinued Operation which are outstanding as on 31st March 2015 for a period of more than six months from the date of becoming payable :</p> <table border="1" data-bbox="652 949 1192 1151"> <thead> <tr> <th>Name of Act</th> <th>Nature of Dues</th> <th>Years</th> <th>Amount (Rs) in Lacs</th> </tr> </thead> <tbody> <tr> <td>CST ACT 1958</td> <td>Sales Tax</td> <td>2003-04</td> <td>0.72</td> </tr> <tr> <td>Bombay Stamp Act 1958.</td> <td>Stamp Duty and interest thereon</td> <td>2001-10</td> <td>210.32</td> </tr> </tbody> </table>	Name of Act	Nature of Dues	Years	Amount (Rs) in Lacs	CST ACT 1958	Sales Tax	2003-04	0.72	Bombay Stamp Act 1958.	Stamp Duty and interest thereon	2001-10	210.32
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CST ACT 1958	Sales Tax	2003-04	0.72										
Bombay Stamp Act 1958.	Stamp Duty and interest thereon	2001-10	210.32										
	<p>As explained to us, the Company does not have any dues in respect of Wealth Tax, Service Tax and Cess.</p>												
<p>(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute)</p>	<p>(b) The disputed statutory dues aggregating to Rs 1233.82 Lacs (inclusive of amounts not provided in financial statement) that have not been deposited on account of matters pending before appropriate authorities are as under:</p>												

Nature of dues	Amount (Rs in Lacs)	Year which it relates	Forum
Vat & Penalty	0.34	1980-81	The Additional Commissioner of Commercial Taxes, Kolkata
Vat	0.54	1993-94	The Additional Commissioner of Commercial Taxes, Kolkata
Tax , Penalty & Interest	1.22	1988-89	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata
Tax & Penalty	20.88	2000-01 2006-07	The West Bengal Taxation Tribunal
Tax & Penalty	12.58	2011-12	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata
CST, Interest & Penalty	156.02	1995-96 to 2012-13	The Sr. Joint Commissioner of Commercial Taxes
Tax & Penalty	162.58	1992 to 2014	Commissioner (Appeals) Central Excise, Kolkata-IV
Tax	50.92	2005 to 2014	Commissioner (Appeals) Central Excise, Kolkata-IV
Tax	11.23	1989-90 2005-06	Hon'ble High Court, Mumbai
Tax & Penalty	4.34	2003-04	Commissioner (Appeals) Nashik
Tax & Penalty	1.73	2002-03	CESTAT, Mumbai
Tax	0.62	1999-2002	The Asst. Commissioner, Sales Tax, Delhi
Tax & Penalty	219.00	1999-00 2002-03	The Asst. Commissioner, Sales Tax, Ahmedabad
Tax	573.25	2000-03	Commissioner, Customs, Nasik & Mumbai
Tax	11.69	1989-90 &1991-92	Hon'ble High Court, Mumbai
Tax & Penalty	6.88	2007-08 2008-09	Hon'ble High Court, Mumbai

<p>(viii) Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).</p>	<p>(viii) The Company has made following defaults in repayment of dues to Financial Institution and Debenture Holders :</p> <table border="1" data-bbox="648 272 1194 703"> <thead> <tr> <th>Financial Institution</th> <th>Amount (Rs in lacs)</th> <th>Period of default</th> </tr> </thead> <tbody> <tr> <td colspan="3">Term Loan</td> </tr> <tr> <td>IDBI-Term Loan</td> <td>1422.30</td> <td>Sept '13 to Jan '16</td> </tr> <tr> <td>SICOM</td> <td>47.58</td> <td>Mar '10 to Mar '14</td> </tr> <tr> <td>Sale Tax Loan (Under Sales Tax Deferral Scheme)</td> <td>269.06</td> <td>Mar '10 to Mar '14</td> </tr> <tr> <td colspan="3">Debenture :</td> </tr> <tr> <td>Non Convertible Debenture</td> <td>160.44</td> <td>Feb '99 to Feb '01</td> </tr> <tr> <td colspan="3">Finance Lease:</td> </tr> <tr> <td>IDBI</td> <td>107.60</td> <td>2006-07 to 2015-16</td> </tr> </tbody> </table> <p>Also Refer to Footnotes No (a) to (c) of Note No 4 and Note No 6 to Financial Statements.</p>	Financial Institution	Amount (Rs in lacs)	Period of default	Term Loan			IDBI-Term Loan	1422.30	Sept '13 to Jan '16	SICOM	47.58	Mar '10 to Mar '14	Sale Tax Loan (Under Sales Tax Deferral Scheme)	269.06	Mar '10 to Mar '14	Debenture :			Non Convertible Debenture	160.44	Feb '99 to Feb '01	Finance Lease:			IDBI	107.60	2006-07 to 2015-16
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<p>(ix) Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</p>	<p>(ix) The Company did not raise any money by way of initial public offer of further public offer (including debt instruments) during the year. According to the information and explanations given to us, the Term Loan raised during the year had been applied for the purposes for which the same was raised.</p>																											
<p>(x) Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;</p>	<p>(x) Based upon the audit procedure performed and the information and explanation given by the Company, we report that no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially misstated.</p>																											
<p>(xii) Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;</p>	<p>(xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V of the Act.</p>																											
<p>(xiii) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;</p>	<p>(xiii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.</p>																											

(xiv) Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
(xv) Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
(xvi) Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **S. S. KOTHARI & CO.**

Chartered Accountants

FR No. 302034E

P. K. BHATTACHARYA

Partner

(Membership No. 015899)

Place : Kolkata

Date : 21st May, 2016

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Shalimar Wires Industries Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March, 2016 :

- a) The Company's internal control system for customer acceptance, credit evaluation and establishing customer credit limits for sales need to be strengthened adequately so as to negate the potential possibility of recognising revenue without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement on the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 Financial Statements of the Company, and the material weakness does not affect our opinion on the Financial Statements of the Company.

For **S. S. KOTHARI & CO.**

Chartered Accountants

FR No. 302034E

P. K. BHATTACHARYA

Partner

(Membership No. 015899)

Place : Kolkata

Date : 21st May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in Rs.)

PARTICULARS	Note No.	As at March, 2016		As at March, 2015	
I. EQUITY AND LIABILITIES					
1. Shareholders' Fund					
a) Share Capital	2	368,645,112		368,645,112	
b) Reserves and Surplus	3	<u>(1,828,827,195)</u>	<u>(1,460,182,083)</u>	<u>(1,826,517,702)</u>	<u>(1,457,872,590)</u>
2. Non-Current Liabilities					
a) Long Term Borrowings	4	563,428,179		366,352,216	
b) Deferred Tax Liabilities (Net)	5	-		-	
c) Other Long Term Liabilities	6	37,393,794		44,770,584	
d) Long Term Provisions	7	<u>64,766,944</u>	<u>665,588,917</u>	<u>51,950,990</u>	<u>463,073,790</u>
3. Current Liabilities					
a) Short Term Borrowings	8	125,286,571		-	
b) Trade Payables	9	106,159,036		104,667,562	
c) Other Current Liabilities	10	2,156,800,250		2,314,425,627	
d) Short Term Provisions	11	<u>6,926,321</u>	<u>2,282,414,264</u>	<u>5,059,059</u>	<u>2,424,152,248</u>
Grand Total			<u>1,487,821,098</u>		<u>1,429,353,448</u>
II. ASSETS					
1. Non-Current Assets					
a) Fixed Assets	12				
i) Tangible Assets		487,630,358		396,729,216	
ii) Intangible Assets		5,710,222		10,578,581	
iii) Capital Work-in-Progress		101,661,785		174,763,883	
b) Non-Current Investments	13	205,044		354,728	
c) Long Term Loans and Advances	14	91,171,101		90,016,792	
d) Other Non-Current Assets	15	<u>18,822,325</u>	<u>705,200,834</u>	<u>36,657,591</u>	<u>709,100,790</u>
2. Current Assets					
a) Inventories	16	301,823,409		294,557,549	
b) Trade Receivables	17	391,067,165		351,085,295	
c) Cash and Cash Equivalent	18	42,393,458		15,823,851	
d) Short Term Loans and Advances	19	46,881,551		58,354,579	
e) Other Current Assets	20	<u>454,680</u>	<u>782,620,263</u>	<u>431,385</u>	<u>720,252,658</u>
Grand Total			<u>1,487,821,098</u>		<u>1,429,353,448</u>

Significant Accounting Policies 1
Other Disclosers 29-42

The accompanying notes 1 to 42 are an integral part of the financial statements.

As per our report of even date.

For **S. S. KOTHARI & CO.**
Chartered Accountants
FR NO. 302034E

CA P. K. Bhattacharya
Partner

Membership No.015899
Kolkata, 21st May, 2016

Sunil Khaitan
Managing Director

S. J. Sengupta
Sr V.P. & CFO

Dipak Dasgupta
Director

S. K. Kejriwal
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

PARTICULARS	Note No	2015-16		2014-15	
I. Revenue from Operations	21				
a) Sale of products		1,054,869,546		1,029,428,427	
Less : Excise Duty		98,841,817		93,628,824	
Net Turnover		<u>956,027,729</u>		<u>935,799,603</u>	
b) Sale of Services		-		-	
c) Other Operating Revenues		4,122,604	960,150,333	8,514,551	944,314,154
II. Other Income	22		15,121,845		12,240,700
III. Total Revenue (I + II)			<u>975,272,178</u>		<u>956,554,854</u>
IV. Expenses :					
Cost of Materials Consumed	23	278,145,557		279,001,759	
Purchases of Stock in Trade		-		-	
Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	24	(5,657,300)		(3,055,721)	
Employees Benefits	25	224,100,451		200,960,324	
Finance Cost	26	80,074,477		86,203,922	
Depreciation and Amortisation	30	59,379,687		66,747,740	
Less : Considered Under Extraordinary Item		-	59,379,687	6,865,511	59,882,230
Other Expenses	27	338,166,923		319,935,040	
Total Expenses			<u>974,209,795</u>		<u>942,927,554</u>
V. Profit before exceptional and extraordinary items and tax. (III - IV)			<u>1,062,383</u>		<u>13,627,300</u>
VI. Exceptional Items	28(i)		-	-	(218,099)
VII. Profit before extraordinary items and tax (V - VI)			<u>1,062,383</u>		<u>13,845,399</u>
VIII. Extraordinary Items	28(ii)		-		6,865,511
IX. Profit before tax (VII - VIII)			<u>1,062,383</u>		<u>6,979,889</u>
X. Tax Expenses :					
i) Current Tax			-	-	-
ii) Deferred Tax			-	-	-
XI. Profit (Loss) for the period from continuing operations (IX - X)			<u>1,062,383</u>		<u>6,979,889</u>
XII. Profit (Loss) from discontinuing operations			(3,371,876)		(10,841,079)
XIII. Tax Expenses of discontinuing operations			-		-
XIV. Profit (Loss) from discontinuing operations (after tax) (XII - XIII)			(3,371,876)		(10,841,079)
XV. Profit (Loss) for the period (XI - XIV)			<u>(2,309,493)</u>		<u>(3,861,191)</u>
XVI. Earnings Per Equity Share :	39				
i) Basic			(0.06)		(0.10)
ii) Diluted			(0.06)		(0.10)

Significant Accounting Policies 1

Other Disclosers 29-42

The accompanying notes 1 to 42 are an intrigral part of the financial statements.

As per our report of even date.

For **S. S. KOTHARI & CO.**

Chartered Accountants

FR NO. 302034E

CA P. K. Bhattacharya

Partner

Membership No.015899

Kolkata, 21st May, 2016

Sunil Khaitan

Managing Director

Dipak Dasgupta

Director

S. J. Sengupta

Sr V.P.& CFO

S. K. Kejriwal

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.2015
A. Cash Flow from Operating Activities :		
Net Profit (Loss) before Tax	(2,309,493)	(3,861,191)
Adjustments For :		
Depreciation and amortisation expense	60,526,230	61,028,773
(Profit) / Loss on Sale / Discard of Tangible Fixed Assets	198,308	297,994
Exceptional Items	-	(218,099)
Extraordinary Items	-	9,207,832
Interest Income	(3,176,025)	(1,784,137)
Net (Gain) / Loss on Sale of Investment.	-	-
Finance Cost	80,074,477	86,203,922
Sundry Balances Written Off	185,276	347,767
Unspent Liabilities Written Back	(2,513,622)	(3,585,871)
Provision for Diminution in value of Investment	149,684	161,973
Provision for Doubtful Debt	-	-
Debts and advances written off	727,429	2,662,555
Operating Profit before Working Capital Changes	133,862,265	150,461,519
Adjustments For :		
Increase/(Decrease) in Other Long Term Liabilities	(4,863,168)	1,648,457
Increase/(Decrease) in Long Term Provisions	12,815,954	11,980,800
Increase/(Decrease) in Short Term Provisions	1,867,262	(2,706,295)
Increase/(Decrease) in Trade Payables	1,491,474	25695670
Increase/(Decrease) in Other Current Liabilities	(157,625,377)	261,385,564
Decrease/(Increase) in Non-Current Investment	-	-
Decrease/(Increase) in Long Term Loans & Advances	1,817,027	(9584517)
Decrease/(Increase) in Other Non-Current Assets	17,649,990	(4,939,634)
Decrease/(Increase) in Inventories	(7,265,860)	(15,981,976)
Decrease/(Increase) in Trade Receivables	(40,709,299)	(62,055,607)
Decrease/(Increase) in Short Term Loans & Advances	11,473,028	(7288289)
Decrease/(Increase) in Other Current Assets	(23,295)	161,644
Cash Generated from/(used in) Operating Activities	(29,510,000)	348,777,336
Tax Expense	(2,971,336)	(196,050)
Net Cash Flow from/(used in) Operating Activities (A)	(32,481,336)	348,581,286

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.2015
B. Cash Flow from Investing Activities :		
Interest Income	3,176,025	1,784,137
Proceeds from sale of Non-Current Investments	-	-
Addition to Tangible Fixed Assets	(72,952,748)	(131,461,654)
Addition to Intangible Fixed Assets	(553,000)	-
Sale of Tangible Fixed Assets	(149,476)	2,859,641
Net Cash flow from/(used in) Investing Activities (B)	(70,479,200)	(126,817,877)
C. Cash Flow from Financing Activities :		
Proceeds from Equity Shares	-	0
Repayment from Long term Borrowings	197,075,963	(142,327,933)
Proceeds from Short term Borrowings	12,528,657	-
Exceptional Items	-	218,099
Interest Expense	(80,074,477)	(86,203,922)
Net Cash Flow from Financing Activities (C)	129,530,143	(228,313,756)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	26,569,608	(6,550,347)
Closing Balance of Cash & cash Equivalents	42,393,458	15,823,851
Opening Balance of Cash & Cash Equivalents	15,823,850	22,374,198
Net Increase/(Decrease) in Cash & Cash Equivalents	26,569,608	(6,550,347)

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules, 2006.
2. Addition to Fixed Assets include movement of Capital Work in Progress during the year.
3. Proceeds from Longs term Borrowings are shown net of repayments.
4. Figures in brackets represent cash outflow from respective activities.
5. Cash & cash Equivalents do not include any amount which is not available to the Company for its use.
6. As breakup of Cash & cash equivalents is also available in Note No.17, reconciliation of items of Cash & cash equivalents as per Cash Flow Statement with the equivalent items reported in the Balance Sheet is not required and hence not provided.

As per our report of even date.

For **S. S. KOTHARI & CO.**

Chartered Accountants

FR NO. 302034E

CA P. K. Bhattacharya

Partner

Membership No.015899

Kolkata, 21st May, 2016

Sunil Khaitan

Managing Director

S. J. Sengupta

Sr V.P. & CFO

Dipak Dasgupta

Director

S. K. Kejriwal

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. : 1

SIGNIFICANT ACCOUNTING POLICIES :

The accounts are prepared under the historical cost convention and are in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 2013. The significant accounting policies followed by the Company are stated below :

1) Recognition of Income & Expenditure :

Income and Expenditure are recognised on accrual basis.

2) Fixed Assets :

Fixed Assets are stated at original cost net of accumulated depreciation and impairments.

Cost includes acquisition price, attributable expenses (including in respect of assets taken on lease) and pre-operational expenses including finance charges and issue expenses, wherever applicable.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure (including financing cost relating to borrowed funds for construction or acquisition of Fixed assets) incurred on projects under implementation are being treated as pre-operative expenses pending allocation to the assets and are shown under "Capital Work in Progress".

Impairment Loss is recognised where applicable when the carrying amount of the Fixed Assets of a Cash generating unit exceeds its market value or value in use, whichever is higher.

3) Depreciation and Amortisation :

Depreciation has been charged on all Tangible Assets based on estimated useful life of assets as specified in Schedule II to the Companies Act, 2013.

Cost of Leasehold Land and installation and other expenses incurred on machineries taken on lease are amortised over the period of the respective lease.

Cost of acquisition of Patents are amortised over the period of patent right.

Technical Knowhow fees is amortised over a period of 5 years with effect from the year of commencement of commercial production.

4) Inventories :

Inventories are stated at 'cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'Weighted Average Cost'.

5) Investments :

Long Term Investments are carried at cost and Provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments, script wise.

6) Foreign Currency Transactions :

(a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.

(b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rates.

(c) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Statement of Profit & Loss.

(e) In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference. The premium or discount on forward exchange contracts is recognized over the period of the respective contract.

7) Research & Development Expenditure :

Revenue expenditure is charged to Statement of Profit & Loss and Capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

8) Employee Benefits :

(a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

- b) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuations.

Actuarial gains and losses in respect of post employment and other long-term employee benefits are recognized in the Statement of Profit and Loss.

9) Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent Liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is not considered probable, hence not provided for. Contingent assets are not recognised in the accounts.

10) Borrowing Costs :

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

11) Taxes on Income :

Income-tax expense comprises Current tax and Deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognised only to the extent there is a reasonable certainty that the assets can be realized in future.

12) Impairment of Assets :

Impairment loss, if any, is recognised to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased.

Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

After impairment, depreciation or amortisation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

13) Operating Cycle :

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.

14) Cash flow statement :

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

15) Segment Reporting :

Segments are identified based on the dominant source and nature of risks and returns and the internal organisation and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting :

- (a) Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.
- (b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as "Unallocable".

NOTES TO THE FINANCIAL STATEMENTS**NOTE : 2 Share Capital**

(Amount in Rs.)

	As at March, 2016		As at March, 2015	
a) Authorised :				
i) 50,000,000 Equity Shares of Rs. 2/- each		100,000,000		100,000,000
ii) 5,000,000 Preference Shares of Rs. 100/- each		500,000,000		500,000,000
Total		<u>600,000,000</u>		<u>600,000,000</u>
b) Issued, Subscribed & Paid Up :				
i) Equity Shares Fully Paid Up :				
37,605,123 Equity Shares of Rs. 2/- each		75,210,246		75,210,246
ii) Preference Share Fully Paid Up :				
2,934,349 8% Cumulative Redeemable Preference Share of Rs. 100/- each		293,434,866		293,434,866
Total		<u>368,645,112</u>		<u>368,645,112</u>
c) Reconciliation of the number of Equity Shares Outstanding :				
Particulars	2015-16		2014-15	
	Nos.	Nos.	Nos.	Nos.
Number of Shares outstanding at the beginning of the year		37,605,123		37,605,123
Add : Number of shares allotted as fully paid up during the year to lenders on conversion of loan into share capital without payment being received in cash.	-	-	-	-
Number of Shares outstanding at the end of the year		<u>37,605,123</u>		<u>37,605,123</u>
d) Reconciliation of the number of Preference Shares Outstanding :				
Particulars	2015-16		2014-15	
	Nos.	Nos.	Nos.	Nos.
Number of Shares outstanding at the beginning of the year		2,934,349		2,934,349
Number of Shares outstanding at the end of the year		<u>2,934,349</u>		<u>2,934,349</u>
e) Shares in the Company held by each Shareholders holding more than 5% Shares.				
Name of Shareholders	Number of Shares held	% of Share held	Number of Shares held	% of Share held
	Nos.	Nos.	Nos.	Nos.
Sunita Khaitan	10,118,900	26.91	10,118,900	26.91
Reliance Sheet Works Pvt. Ltd.	7,251,481	19.28	7,251,481	19.28
Amit Commercial Co. Ltd.	7,230,132	19.23	7,230,132	19.23
Asset Reconstruction Co. Ltd.	5,950,000	15.82	5,950,000	15.82
f) In terms of the Order dated 10th June, 2010 of the BIFR, 5,950,000 fully paid Equity Shares of Rs. 2/- have been issued at par during 2013-14 to ARCIL towards conversion of part of the term loan due to them for Rs.11,900,000/- without payment being received in cash.				
g) Rights, Preferences and Restrictions attached to shares :				
i) Each Equity Share holder holding shares of Rs.2/- each is eligible for one vote per share held and are entitled to receive dividends as declared from time to time. In the event of liquidation the equity shares holdes are eligible to receive the remaining assets of the Company after distribution of all preferential creditors in proportion to their Shareholdings.				
ii) 8% Cumulative Redeemable Preference shares issued as per IDBI sanction dated 13th June 2006 by way of converting their overdue interest and is redeemable in sixteen instalments commencing from 1st April 2017 and ending on 1st January 2021. Cumulative Preference dividend is expected to be paid annually over a period of four years commencing from the financial years 2017-18, based on the projected profitability and cashflows of the Company.				

(Amount in Rs.)

NOTE : 3 Reserve & Surplus

PARTICULARS	Balance as at		Addition	Deduction	Balance as at	
	1st April, 2015				31st March, 2016	
a) General Reserve	28,763,318		-	-	28,763,318	
b) Surplus in the Statement of Profit and Loss	<u>(1,855,281,020)</u>		<u>(2,309,493)</u>	-	<u>(1,857,590,513)</u>	
	<u>(1,826,517,702)</u>		<u>(2,309,493)</u>	-	<u>(1,828,827,195)</u>	

Note :

General Reserve is primarily created to comply with the requirements of Section 123(1b) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like for issue of bonus shares, payment of dividend, buy back of shares etc.

NOTE : 4 Long Term Borrowings

PARTICULARS	As at March, 2016		As at March, 2015			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) Debentures						
Secured						
i) 1,000,000 18% Redeemable Non-Convertible Debentures of Rs.100/- each privately placed with IDBI.	100,000,000			100,000,000		
Less : Not disbursed by IDBI	<u>10,000,000</u>			<u>10,000,000</u>		
	90,000,000			90,000,000		
Less : Overdue Portion of NCD (Refer Note No-9)	15,031,577			-		
Less : Current maturity of NCD (Refer Note No-9)	<u>74,968,423</u>			<u>15,031,577</u>	74,968,423	
ii) 350,000 19% Redeemable Non-Convertible Debenture of Rs. 100/- each privately placed with NIA.		2,145,658			2,145,658	
iii) 100,000 19% Redeemable Non-Convertible Debentures of Rs. 100/- each privately placed with OIC.		8,988,957			8,988,957	
iv) 100,000 20% Redeemable Non-Convertible Debentures of Rs. 100/- each privately placed with NIA.		10,546,481			10,546,481	
v) 374,030 14% Redeemable Debentures of Rs. 30/- each (Non-Convertible Portion)	11,214,878			11,214,878		
vi) 249,375 14% Redeemable Debentures of Rs. 20/- each. (Non-Convertible Portion)	4,987,500			4,987,500		
vii) 10,300 14% Redeemable Debentures of Rs. 10/- each. (Non-Convertible Portion)	103,000			103,000		
	<u>16,305,378</u>			<u>16,305,378</u>		
Less : Allotment Money in arrear	87,360			87,360		
Less : Unpaid Matured Debenture-Refer Note No-9(i)						
Transfer to Investor Protection Fund	15,206,388			15,206,388		
Other Overdue Debenture	<u>1,011,630</u>			<u>1,011,630</u>		
				<u>21,681,096</u>		<u>96,649,519</u>

SHALIMAR WIRES INDUSTRIES LIMITED

NOTE : 4 Long Term Borrowings

PARTICULARS	As at March, 2016			As at March, 2015		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
b) Term Loan :						
i) From Banks / Financial Institutions						
Secured :						
ARCIL	374,281,568			504,281,568		
IDBI	99,000,000			99,000,000		
IDBI (ACS)	43,230,081			43,230,081		
	<u>516,511,649</u>			<u>646,511,649</u>		
Less : Overdue Portion of Long Term Debt	142,230,081			253,257,154		
Less : Current maturity of Long Term Debt (Refer Note - 9(a))	<u>30,000,000</u>	<u>344,281,568</u>		<u>171,472,927</u>	<u>221,781,568</u>	
ii) Other Parties						
Unsecured :						
Body Corporates	44,866,759			44,866,759		
SICOM	4,757,756			4,757,756		
Sale Tax Loan (Under Sales Tax Deferral Scheme)	26,906,419			26,906,419		
	<u>76,530,934</u>			<u>76,530,934</u>		
Less : Overdue Portion of Long Term Debt	31,664,175			31,664,175		
Less : Current maturities of Long Term Debts (Refer Note no 9 (a))	<u>-</u>	<u>142,625,000</u>		<u>-</u>	<u>44,866,759</u>	
			<u>538,068,513</u>			<u>266,648,327</u>
c) Loans and Advances from Related Parties :						
Unsecured :						
Mr. Sunil Kumar Khaitan			1,675,000			1,675,000
d) Long Term Maturities of Finance Lease (CAR)						
Secured :						
HDFC Bank Ltd.	36,47,176			25,69,986		
Tata Motors Finance Ltd.	-			-		
Family Credit Ltd.	-			-		
	<u>36,47,176</u>			<u>25,69,986</u>		
Less Current maturities of finance lease (Refer Note-9(b))	<u>16,43,606</u>	<u>20,03,570</u>		<u>11,90,616</u>	<u>13,79,370</u>	
			<u>20,03,570</u>			<u>13,79,370</u>
Total			<u>563,428,179</u>			<u>366,352,216</u>

NOTES :

Terms of Redemption/Repayment :

a) Debentures

- i) In respect of Note-4(a)(i) above, pursuant to the BIFR Order dated 10th June, 2010 and subsequent rescheduling made by the IDBI repayment will start from the year 2013-14 (rescheduled as 2015-16) and end on 2016-17.
- ii) In respect of Note-4(a)(ii) to (iv) above, the repayment will be made after all the secured creditors agreeing the restructuring scheme pursuant to the BIFR Order dated 10th June, 2010 have been fully paid off.
- iii) In respect of Note-4(a)(v) to (vii) above, repayable at par on the expiry of 7th, 8th and 9th years from the date of allotment i.e 4th February, 1992.

b) Term Loans :

- i) ARCIL : During the year 2013-14, ARCIL has restructured the schedule of repayments of their outstanding Term Loan by segregating total outstanding as under effective from October, 2013 :

Principal Rs. 34.00 Crore (Balance as on 31.03.2016 is Rs. 21.00 Crore)

Interest Rs.12.62 Crore (Balance as on 31.03.2016 is Rs. 8.53 Crore)

An amount of Rs.10 crore has been paid up-front and balance payable in 60 instalments starting from April, 2015 and ending on March, 2020. The Restructured sanctioned is subject to approval of Modified Draft Rehabilitation Scheme (MDRS).

Accordingly provision has been made for the elements of interest for the year Rs.51,883,000/-, included under Finance Cost. Out of this, Rs.48,600,000/- has been paid during the year and the balance amount of Rs.32,83,000/- is included under Interest Accrued and Due.

As per the terms of Original Sanction letter of ARCIL, no re-alignment of the principal amount would be considered till repayment of all the instalments. Hence no adjustment has been made towards principal amount of term loan from ARCIL.

- ii) IDBI : Pursuant to the BIFR Order dated 10th June 2010 repayment will start from the financial year 2013-14 and end on 2016-17.

The Company has submitted a modified DRS Scheme to the Hon'ble Board of BIFR regarding its total exposure to IDBI for Rs.232,230,081/- (including Redeemable Non Convertible Debentures of Rs. 90,000,000) (Previous Year Rs. 232,230,081/-), the approval of which from the BIFR is still awaited. However, the said Scheme has received the consent of the other major lender, ARCIL.

In view of above modified DRS Scheme, awaiting approval, as also the Company becoming a Non Performing Asset in the books of IDBI, no provision for the year for Interest on

Debenture (including penal interest) Rs.15,113,502/- and Interest on Term Loan (including penal interest) Rs.26,298,992/- has been made in this financial statement.

- iii) Unsecured loans from promoters Rs. 1,675,000 and certain bodies corporates Rs.1,125,000 are repayable after the repayment of all settled dues of secured creditors are made pursuant to the Rehabilitation Scheme sanctioned by BIFR vide its Order dated 10th June 2010. As per the said sanctioned scheme of BIFR, no interest is payable on above loans.

- iv) Loans from SICOM & Sale Tax Loan (Under Sales Tax Deferral Scheme) are repayable over a period of five years after cutoff date (31.03.2009) in equal annual instalments pursuant to the Rehabilitation Scheme sanctioned by BIFR vide its Order dated 10th June, 2010.

As per the above Order no interest is payable on these loan and hence no provision is required to be made for the same.

The Sales Tax Department vide their letter dated 26.06.2014 had restructured principal outstanding to be paid in 5 instalments of Rs,5,833,602/- from the year 2014-15 to 2018-19 and the company has paid Rs.2,000,000/- against the same. However, later on, the department vide their letter dated 19.09.2015 has claimed interest of Rs. 21,350,183/- which the company has protested and the matter is pending before the BIFR.

- v) Loan from Magma Housing Finance is Repayable in 84 equated monthly instalments (EMI).

c) Finance Lease :

In respect of Note-4(d) above, repayable in monthly instalments from June 2012 to March, 2020 for respective cars covered under above lease.

Nature of Security :

a) Debentures

- i) The aforesaid debentures have been secured by a First mortgage and charge, ranking pari passu, by execution of Debenture Trust Deed on certain immovable and movable properties of the Company. They are also secured by a second mortgage and charge on the immovable and movable assets of the Company at Uttarpara and Nasik (save and except book debts) both present and future but excluding assets purchased/ to be purchased under Deferred Payment Scheme, Asset Credit Scheme and equipments purchased/to be purchased against Rupee and Foreign Currency Loans granted/to be granted by Financial Institution subject, however, to prior charges created/to be created in favour of the Company's bankers on stocks and receivables for securing borrowings for working capital requirements.

b) Term Loans :

- i) Term Loans from Financial Institutions and Banks, except term loan from IDBI (ACS) of Rs. 43,230,081/- (Previous Year Rs. 43,680,081/-) as stated herein after, are secured/to be secured by pari passu first charge by deposit of title deeds of all the immovable and movable properties, both present and future subject, however to prior charges to created/to be created in favour of the Company's bankers on stocks and receivables for securing borrowings for working capital requirements.
- ii) Term Loan from IDBI (ACS) of Rs.43,230,081/- (Previous Year Rs.43,680,081/-) under various Schemes of the Financial Institution are secured by exclusive charge on Fixed Assets purchased under relevant schemes.
- iii) Term Loan from Magma Housing Finance of Rs.51,161,945/- (Previous Year Rs.Nil) is secured by personal property of promoter director and personal gauranteee of promoter director and his family.

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- c) Finance Lease :
In respect of Note-4(d) above the aforesaid leases are secured by the hypothecation of the cars.

Period and amount in continuing default :

Nature of Loans	As at March, 2016		As at March, 2015	
	Amount of Default (Rs.)	Due Since (Rs.)	Amount of Default (Rs.)	Due Since (Rs.)
i) Secured-Term Loan				
Assets Restrucing Company (India) Limited (ARCIL)	—		1,600,000	Oct'2013
Do	—		1,700,000	Nov'2013
Do	—		1,700,000	Dec'2013
Do	—		1,700,000	Jan '2014
Do	—		1,700,000	Feb'2014
Do	—		81,800,000	Mar'2014
Do	—		6,100,000	Apl'2014
Do	—		6,200,000	May'2014
Do	—		6,300,000	Jun'2014
Do	—		6,400,000	Jul'2014
Do	—		6,600,000	Aug'2014
Do	—		6,700,000	Sept'2014
Do	—		6,800,000	Oct'2014
Do	—		6,900,000	Nov'2014
Do	—		7,000,000	Dec'2014
Do	—		7,100,000	Jan '2015
Do	—		7,200,000	Feb'2015
Do	—		7,400,000	Mar'2015
Total	—		170,900,000	
Industrial Development Bank of India-ACS	4,226,296	Sept'2013	4,226,296	Sept'2013
Do	6,242,042	Oct'2013	6,242,042	Oct'2013
Do	6,242,042	Nov'2013	6,242,042	Nov'2013
Do	1,908,308	Dec'2013	1,908,308	Dec'2013
Do	1,318,046	May'2014	1,318,046	May'2014
Do	6,242,042	Jun'2014	6,242,042	Jun'2014
Do	6,242,042	Jul'2014	6,242,042	Jul'2014
Do	6,242,042	Aug'2014	6,242,042	Aug'2014
Do	6,242,042	Sept'2014	6,242,042	Sept'2014
Do	6,242,042	Oct'2014	6,242,042	Oct'2014
Do	6,242,042	Nov'2014	6,242,042	Nov'2014
Do	6,242,042	Dec'2014	6,242,042	Dec'2014
Do	6,242,042	Jan '2015	6,242,042	Jan '2015
Do	6,242,042	Feb'2015	6,242,042	Feb'2015
Do	6,242,042	Mar'2015	6,242,042	Mar'2015
Do	6,242,042	Apl'2015		
Do	6,242,042	May'2015		
Do	6,242,042	Jun'2015		
Do	6,242,042	Jul'2015		
Do	6,242,042	Aug'2015		

Nature of Loans	As at March, 2016		As at March, 2015	
	Amount of Default (Rs.)	Due Since (Rs.)	Amount of Default (Rs.)	Due Since (Rs.)
Do	6,242,042	Sept'2015		
Do	6,242,042	Oct'2015		
Do	6,242,042	Nov'2015		
Do	6,242,042	Dec'2015		
Do	3,694,549	Jan '2016		
Total	142,230,081		82,357,154	
ii) Unsecured Term Loan**				
SICOM	951,551	Mar'2010	951,551	Mar'2010
Do	951,551	Mar'2011	951,551	Mar'2011
Do	951,551	Mar'2012	951,551	Mar'2012
Do	951,551	Mar'2013	951,551	Mar'2013
Do	951,551	Mar'2014	951,551	Mar'2014
Total	4,757,755		3,806,204	
Sale Tax Loan (Under Sales Tax Deferral Scheme)	5,781,284	Mar'2010	5,781,284	Mar'2010
Do	5,781,284	Mar'2011	5,781,284	Mar'2011
Do	5,781,284	Mar'2012	5,781,284	Mar'2012
Do	5,781,284	Mar'2013	5,781,284	Mar'2013
Do	3,781,284	Mar'2014	3,781,284	Mar'2014
Total	26,906,420		26,906,420	

NOTE : 5 Deferred Tax Liabilities (Net)

PARTICULARS	As at March, 2016			As at March, 2015		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Deferred Tax Liabilities						
Accumulated Depreciation			2,833,409			32,443,126
Deferred Tax Assets						
Expenses allowable for tax purposes when paid			2,833,409			32,443,126
Deferred Tax Liability (Net) recognized in books			-			-

Note : Applying the principle of Accounting Standard-22, 'Accounting for Tax on Income', Deferred tax Assets have been recognised only to the extent of Deferred Tax Liability.

NOTE : 6 Other Long Term Liabilities**Other Payables :**

Accrued Expense		30,619,699		35,632,213
Sales Tax in connection Leased Assets sales		4,343,236		4,343,236
Finance Lease Rent (Including Interest)	15,621,907		15,555,325	
Less : Overdue Finance Lease Rent (Refer Note-9)	10,760,191		8,362,624	
Less : Current Maturities of Finance Lease Rent :				
Interest (Refer Note-9)	2,430,858	2,430,858	2,397,567	4,795,134
Total			37,393,794	44,770,584
			37,393,794	44,770,584

Notes :**Terms of Repayment :**

Finance Lease Rent in respect of Equipment Lease Scheme from IDBI is repayable for principal and interest amount commencing from 2006-07 to 2013-14 and from 2013-14 to 2017-18 respectively.

Nature of Security :

Equipment Lease Scheme from IDBI of Rs. 15,555,325/- (Previous Year Rs.15,529,479/-) is secured by exclusive charge on Fixed Assets purchased under relevant scheme.

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NOTE : 7 Long Term Provisions

PARTICULARS	As at March, 2016		As at March, 2015	
	Rs.	Rs.	Rs.	Rs.
a) Provision for Employees Benefits				
Gratuity	41,101,928		33,367,383	
Leave Encashment (Refer Note-39)	21,940,016	63,041,944	16,858,607	50,225,990
b) Others				
Debenture Premium	1,375,000		1,375,000	
Provision for Contingencies	350,000	1,725,000	350,000	1,725,000
Total		64,766,944		51,950,990

NOTE : 8 Short Term Borrowings:

PARTICULARS	As at March, 2016		As at March, 2015	
	Rs.	Rs.	Rs.	Rs.
a) Loan Repayable on Demand				
i) From Banks				
Secured :				
Overdraft Current Account	11,064,016		-	
Unsecured :				
	-	11,064,016	-	-
b) Loans and Advances from Related Parties :				
Unsecured :				
Mr. Dwarka Khaitan	1,464,641	1,464,641	-	-
Total		12,528,657		-

NOTE : 9 Trade Payable

PARTICULARS	As at March, 2016		As at March, 2015	
	Rs.	Rs.	Rs.	Rs.
Total Outstanding Dues of Micro and Small Enterprises		2,302,322		2,060,221
Total Outstanding Dues of Other than Micro and Small Enterprises		<u>103,856,714</u>		102,607,341
		<u>106,159,036</u>		<u>104,667,562</u>

Note :

i) **Amount dues to suppliers, are subject to confirmation of the parties.**

ii) The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2016 as under :

The Principal amount and Interest due thereon remaining unpaid to any supplier as at the end of the year.	2,302,322	2,060,221
The amount of Interest paid in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year.	12,532,302	13,402,148
The amount of interest due and payable for the period of delay payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of Interest accrued and remaining unpaid at the end of the year.	-	-
The amount of Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

The information has given in respect of such vendors to the extent they could be identified as " Micro and Small Enterprise " on the basis of information available with the Company.

NOTE : 10 Other Current Liabilities

PARTICULARS	As at March, 2016		As at March, 2015	
	Rs.	Rs.	Rs.	Rs.
a) Current Maturities of Long Term Debts - Refer Note No-4(b)(i) & (ii)		30,000,000		171,472,927
b) Current Maturities of Finance Lease Obligations -Refer Note No-4(d) & 6		4,074,464		3,588,183
c) Interest Accrued and Due on Borrowings		1,760,120,260		1,761,154,657
d) Unpaid Matured Debentures and Interest accrued thereon				
Other Overdue Debenture -Refer Note No-4(a)	1,011,630		1,011,630	
Investor Education and Protection Fund (Matured Debenture) -Refer Note No-4(a)	15,206,388		15,206,388	
Interest Accrued and Due	5,920,399	22,138,417	5,920,399	22,138,417
e) Other Payables				
Overdue Portion of Long Term Debt (Refer Note No-4(b) above)	173,894,256		284,921,329	
Overdue Lease Finance Rent (Refer Note No-6)	10,760,191		8,362,624	
Overdue Portion of NCD (Refer Note No-4(a)(i))	15,031,577		-	
Current Maturity of NCD (Refer Note No-4(a)(i))	74,968,423		15,031,577	
Advance from Customers & Others	4,062,732		4,483,410	
Statutory Liabilities	6,972,920		4,885,330	
Salary Wages & Bonus	33,775,222		25,659,498	
Others	21,001,788	340,467,109	12,727,674	356,071,443
Total		2,156,800,250		2,314,425,627

NOTE : 11 Short Term Provisions

PARTICULARS	As at March, 2016		As at March, 2015	
	Rs.	Rs.	Rs.	Rs.
a) Provision for Employees Benefits				
Unpaid Gratuity	4,742,217		3,903,527	
Leave Encashment	2,184,104	6,926,321	1,155,532	5,059,059
Total		6,926,321		5,059,059

DESCRIPTION OF ASSETS		GROSS BLOCK			DEPRECIATION			IMPAIRMENT			NET BLOCK			
		As at 1.04.2015	Additions	Disposals	As at 31.03.2016	Upto 31.03.2015	For the year	Disposals	Upto 31.03.2016	As at 1.04.2015	Reversed during the year	Provided during the year	As at 31.03.2016	As at 31.03.2015
Land														
Freehold	1,270,150	-	-	1,270,150	-	-	-	-	-	-	-	-	1,270,150	1,270,150
Leasehold	1,005,213	-	-	1,005,213	331,128	11,581	-	342,709	-	-	-	-	662,504	674,085
Buildings	206,627,307	67,652,153	-	274,279,460	97,881,082	4,707,506	-	102,588,588	-	-	-	-	171,680,872	108,736,225
Leasehold	4,925,807	-	-	4,925,807	1,586,437	68,911	-	1,655,348	-	-	-	-	3,270,460	3,339,370
Plant And Equipments	1,210,310,339	73,824,625	3,942,674	1,280,192,290	951,305,713	46,322,223	4,633,018	992,994,918	-	-	-	-	287,197,372	259,004,626
Furniture and Fixtures	46,903,734	733,302	-	47,637,036	33,479,384	1,747,433	-	35,226,816	-	-	-	-	12,410,219	13,424,350
Vehicles	11,548,412	2,852,638	2,376,646	12,024,404	4,560,377	1,551,745	1,637,470	4,474,652	-	-	-	-	7,549,752	6,988,035
Office Equipments	9,139,993	88,450	-	9,228,443	8,378,372	139,064	-	8,517,436	-	-	-	-	711,007	761,621
Others														
Computers	31,677,568	903,679	-	32,581,247	29,146,816	556,409	-	29,703,225	-	-	-	-	2,878,022	2,530,752
Total	1,523,408,524	146,054,846	6,319,320	1,663,144,051	1,126,679,309	55,104,872	6,270,488	1,175,513,692	-	-	-	-	487,630,358	396,729,216
Previous Year	1,481,104,190	52,931,807	10,627,472	1,523,408,524	1,065,336,918	64,812,228	7,469,837	1,126,679,309	-	-	-	-	396,729,216	-

NOTE : 12 Fixed Assets
I) Tangible Assets (Consolidated)
 Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year.

Note : 1. Building include Rs.234277/- being cost of co-ownership flats. (Previous Year Rs.234277/-)
 2. Fixed Assets include assets taken on hire purchase system after 01.04.2012
 Vehicles Gross Block Rs.8093,078/- (Previous Year Rs.5,240,440/-) and Net Block Rs.6,321,304/- (Previous Year Rs.4,270,971/-).
 3. Details of Minimum Hire Purchase Payments and their Present Value.

Particulars	As at 31.03.2016		As at 31.03.2015	
	Min.HP Payment	Present Value	Min.HP Payment	Present Value
a) Not later than one year	1,122,810	1,315,958	1,243,902	950,259
b) Not later than one year and not later than five years	-	2,331,219	-	1,619,727
c) Later than five years	-	-	-	-

4. The Fixed Assets shown above include those pertaining to discontinuing operations. Refer Note No-36.

ii) Intangible Assets (Consolidated)

Reconciliation of the Gross Carrying Amounts and Net Carrying Amounts at the beginning and at the end of the year.

DESCRIPTION OF ASSETS	GROSS BLOCK		AMORTISATION		IMPAIRMENT		NET BLOCK		
	As at 1.04.2015	Disposals	As at 31.03.2016	Disposals	Upto 31.03.2016	Reversed during the Year	Provided during the Year	As at 31.03.2016	As at 31.03.2015
Computer Software									
- Acquired	4,591,630	-	5,144,630	-	3,738,627	-	-	1,406,002	1,885,435
Patents									
- Acquired	2,030,078	-	2,030,078	-	2,030,078	-	-	(0)	84,706
Technical Knowhow									
- Acquired	21,521,100	-	21,521,100	-	17,216,880	-	-	4,304,220	8,608,440
Total	28,142,808	-	28,695,808	-	22,985,586	-	-	5,710,222	10,578,581
Previous Year	28,142,808	-	28,142,808	-	17,564,227	-	-	10,578,581	

iii) Capital Work-in-Progress

Description	Op Bal as on 01.04.2015	Addition during the year	Deduction during the year	Cl bal as on 01.04.2016
Capital Work in progress Building	57,191,709	9,469,798	62,671,807	3,989,700 **
Capital Work in progress Computer	200,000	-	200,000	-
Capital Work in progress Plant & Machinery	117,372,174	27,065,575	46,765,664	97,672,085
Total	174,763,883	36,535,373	109,637,471	101,661,785

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NOTE : 13 Non-Current Investments

PARTICULARS	As at March, 2016			As at March, 2015		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) Investment Property						
b) Investments in Equity instruments						
Bodies Corporate :						
Quoted Fully Paid Up						
i) Anil Special Steel Industries Ltd. 111,705 Equity Shares of Rs.10/- each. (Including 10,155 Equity Shares received as Bonus)	2,652,450			2,652,450		
ii) Pamwi Tissues Ltd 260,130 Equity Shares of Rs.10/- each	1,328,427			1,328,427		
iii) Sumangala Investment Co. Ltd 4,200 Equity Shares of Rs.10/- each	<u>42,000</u>			<u>42,000</u>		
		4,022,877			4,022,877	
Un-Quoted Fully Paid Up						
i) Shalimar Impex Ltd. 1,000 Equity Shares of Rs.10/- each	10,000			10,000		
ii) Satya Sons Services Ltd. 2,000 Equity Shares of Rs.10/- each	<u>20,000</u>			<u>20,000</u>		
		<u>30,000</u>			<u>30,000</u>	
		4,052,877			4,052,877	
c) Investments in Govt. or Trust Securities						
7 Year National Savings Certificate. (Lodged with Govt. Authorities)		<u>13,000</u>	<u>13,000</u>		<u>13,000</u>	<u>13,000</u>
Less : Provision for diminution in value of Investments			<u>4,065,877</u>			<u>4,065,877</u>
Total			<u>205,044</u>			<u>354,728</u>
Note : All the above investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments, script wise.						
Aggregate value of Quoted Investments			4,022,877			4,022,877
Market value of Quoted Investments			633,278			633,278
Aggregate value of Un-Quoted Investments			43,000			43,000
Aggregate Provision for diminution in value of Investments			3,860,833			3,711,149

NOTE : 14 Long Term Loans and Advances

Unsecured, Considered Goods :	As at March, 2016			As at March, 2015		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) Capital Advances		13,446,522			15,847,645	
b) Security Deposits		19,946,368			20,021,185	
c) Other Loans and Advances						
Inter Corporate Deposits	40,617,747			40,617,747		
Taxes & Duties Paid Under Protest	6,191,053			6,191,053		
Advance Income Tax	5,192,170			2,220,834		
Advance against Salary & Wages	5,777,241	57,778,211	91,171,101	5,118,328	54,147,962	90,016,792
Total			<u>91,171,101</u>			<u>90,016,792</u>

Note : i) In respect of Inter Corporate Deposits given to 4 Bodies Corporate Rs. 40,617,747/-, though the amount remained outstanding for a long period, no provision has been made as the same is considered good for recovery.

NOTE : 15 Other Non-Current Assets

	As at March, 2016		As at March, 2015	
	Rs.	Rs.	Rs.	Rs.
Others				
Unsecured, Considered Goods :				
Export Entitlement		11,118,251		11,118,251
Claim Receivable		7,704,074		25,539,340
Total		18,822,325		36,657,591

Note : In respect of Claims Receivable for Rs. 2,697,618/- even though the amount is outstanding for a long period, no provision has been made as the same is considered good for recovery.

NOTE : 16 Inventories

(Valued at lower of cost and net realizable value, unless stated otherwise)

a) Raw Materials		80,838,738		82,529,728
b) Work in Progress		146,940,019		147,427,642
c) Finished Goods		16,379,218		10,378,453
d) Stores & Spares		57,499,214		54,199,663
e) Factory Scrap		166,221		22,063
Total		301,823,409		294,557,549

NOTE : 17 Trade Receivables**Unsecured, Considered Goods :**

Outstanding for a period exceeding six month		97,304,571		87,088,352
Other Debts		293,762,594	391,067,165	263,996,943
				351,085,295

Doubtful :

Outstanding for a period exceeding six month		-		457,798
Less : Provision for doubtful debts		-	-	457,798
Total			391,067,165	351,085,295

Note : Trade receivables include Rs.20,021,029/- (inclusive of Rs.3,147,956/- pertaining to Related Party. Refer Note No. 35 relating to related parties) outstanding since a long period of time . However, no provision against the same has been considered necessary.

NOTE : 18 Cash and Cash Equivalent**a) Balances with Banks**

In Current Account		11,568,476		7,866,595
Fixed Deposit		2,763,719	14,332,195	2,763,719
				10,630,314
b) Cash on hand			986,951	1,921,099

c) Other Bank Balance**Deposits under lien with banks**

Fixed Deposit (Lodged with Bank as Margin)

i) Maturity period more than 3 months but less than 12 months		-		-
ii) Maturity period more than 12 months		27,074,312	27,074,312	3,272,438
				3,272,438
Total			42,393,458	15,823,851

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	As at March, 2016		As at March, 2015	
	Rs.	Rs.	Rs.	Rs.
NOTE : 19 Short Term Loans and Advances				
a) Loans and Advances to Related Parties :		16,094,626		16,094,626
Unsecured, Considered Goods				
b) Others :				
Unsecured, Considered Goods				
Advance to Suppliers & Others	15,128,900		17,232,626	
CENVAT Receivable	8,043,114		12,963,155	
Vat receivable	420,757		2,578,638	
Prepaid Expenses	2,978,275		2,710,107	
Others	4,215,880	30,786,925	6,775,426	42,259,953
Total		46,881,551		58,354,579
Note : In view of the long outstanding position, no interest income has been accounted for since 2001-2002 in respect of the unsecured Loans and Advance to Related Parties. Also no provision has been considered necessary for Unsecured Loan and Advances to 2 Related parties Rs. 16,094,626. Refer to Note No-35 relating to Related Parties.				
NOTE : 20 Other Current Assets				
Interest Receivable		454,680		431,385
Total		454,680		431,385
		2014-15		2014-15
		Rs.	Rs.	Rs.
NOTE : 21 Revenue from operations				
a) Sale of goods (Gross)				
Wire/Fabric for Pulp, Paper Board Industries	904,830,508		889,089,798	
Copper & Copper Alloy Wires including Monel Wires	113,755,805		96,309,824	
Dandy Roll & Dandy Bracket	29,748,001		34,978,373	
Others	6,535,232	1,054,869,546	9,050,432	1,029,428,427
b) Other Operating Income				
Export Entitlement	2,347,834		6,289,794	
Scrap Sale*	1,774,770	4,122,604	2,224,757	8,514,551
Revenue from operations (Gross)		1,058,992,150		1,037,942,978
Less : Excise duty and cess on sale of goods		98,841,817		93,628,824
Revenue from operations (net)		960,150,333		944,314,154
* Net of Excise Duty				

	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE : 22 Other Income				
a) Interest Income (Tax Deducted at Sources Rs. 196,050 Previous year Rs. 124,328/-)		3,176,025		1,784,137
b) Net Gain on Sale of Investment		-		-
c) Other Non-Operating Income (Net) :				
i) Net gain on foreign currency transactions	3,482,544		2,928,555	
ii) Unspent liabilities/balances written back	2,513,622		3,585,871	
iii) Miscellaneous Income	5,949,654	11,945,820	3,942,138	10,456,564
Total		<u>15,121,845</u>		<u>12,240,700</u>

NOTE : 23 Cost of Materials Consumed

Raw Materials Consumed

Opening Stock	82,529,727		68,764,670	
Add : Purchase	<u>276,454,567</u>	<u>358,984,294</u>	<u>292,766,816</u>	361,531,486
Less : Closing Stock		<u>80,838,737</u>		<u>82,529,727</u>
Total		<u>278,145,557</u>		<u>279,001,759</u>

NOTE : 24 Change in Inventories

Closing Stock :

Finished Goods	16,379,218		10,378,453	
Work in Progress :	146,940,019		147,427,642	
Stock in Trade	-		-	
Scrap	<u>166,221</u>	<u>163,485,458</u>	<u>22,063</u>	157,828,158
Less : Opening Stock :				
Finished Goods	10,378,453		17,084,630	
Work in Progress :	147,427,642		137,488,016	
Stock in Trade	-		-	
Scrap	<u>22,063</u>	<u>157,828,158</u>	<u>199,791</u>	154,772,437
Increase / (Decrease) in Stock		<u>5,657,300</u>		<u>3,055,721</u>

NOTE : 25 Employees Benefits Expense

Salaries and Wages	197,510,815		175,385,205	
Contribution to Provident Fund and Other Fund	11,918,257		11,270,720	
Staff welfare Expense	14,671,379		14,304,400	
Total	<u>224,100,451</u>		<u>200,960,324</u>	

Note : Salaries and Wages include Rs.618,411/- (Previous Year Rs.672,563/-) being expenses incurred on Research & Development.

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	2015-16 Rs.	2014-15 Rs.
NOTE : 26 Finance Cost		
Interest Expense	80,074,477	86,203,922
Total	80,074,477	86,203,922
NOTE : 27 Other Expenses		
Stores & Spare parts consumption	68,205,990	62,753,063
Rent	4,032,061	6,076,840
Rates & Taxes	1,369,346	694,309
Insurance	6,406,134	5,947,241
Power & Fuel	41,812,876	39,089,630
Repairs & Maintenance	51,557,487	60,482,664
Travelling & Conveyance	42,057,356	31,631,006
Directors' Fees	558,000	421,500
Payments to Auditors	595,000	355,000
Brokerage & Commission	16,781,441	17,049,819
Legal and Professional Expenses	24,719,050	24,109,673
Freight & Forwarding	11,081,038	7,126,231
Settlement Compensation to Customers	13,495,751	9,913,127
Loss on Sale of Tangible Assets	198,308	263,436
Loss on Discarded of Tangible Assets	-	34,558
Debenture Trustee Remuneration	40,000	106,868
Doubtful Debt Written Off	727,429	2,662,555
Sundry Balances Written Off	185,276	347,767
Provision for Doubtful Debt	-	-
Provision for Impairment Loss	-	-
Preliminary Expenses Written Off	-	-
Prior Period Expenses	433,216	1,745,092
Net Loss on Foreign Currency Exchange	3,209	40,794
Miscellaneous Expenses	53,907,955	49,083,868
	338,166,923	319,935,040
NOTE : 28 Income from Exceptional Items		
a) Forfeited amount of Interest on Deposit from a party	-	218,099
b) Waiver of Electricity Duty	-	-
	-	218,099
Note :		
a) During the year 2014-15 Rs.10,100,000/- had been received from a party as deposit for disposal of Company's Land at Nasik, through Stae Bank of India. However the BIFR directed to stop continuing the negotiated sale and the amount of deposit has been refunded to the party. The Company earned interest on such deposits from State Bank of India Rs.218,099/- for the period the amount of deposit remained with them.		
ii) Expenditure for Extraordinary Items		
Depreciation	-	6,865,511
	-	6,865,511
Note :		
In absence of Retained Earning, proportionate part depreciation pertaining to assets having no future estimated life has been disclose under Extraordinary Item, in the year 2014-15 being considered as one-time charge relivent to the year of adoption of Shedule-II of the Companies Act, 2013.		

	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE : 29 Other Disclosures				
Contingent Liabilities and Commitments				
(To the extent not provided for)				
i) Contingent Liabilities				
a) Claim against the company not acknowledged as debt		9,008,000		9,008,000
b) Guarantees		-		6,006,157
c) Other money for which the company is contingently liable				
Sale Tax Demands	41,120,672		215,077,937	
Excise Demands	23,080,095		195,704,512	
Municipal Tax Demands	1,857,305		1,857,305	
Non fulfillment of Export Obligation under DEEC Scheme	57,324,691		57,324,691	
Non fulfillment of Export Obligation under ISIL Scheme	-	123,382,763	-	469,964,445
Total		132,390,763		484,978,602
ii) Commitments				
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advance)		46,700,413		59,345,921
b) Uncalled liability on shares and other investments partly paid		-		-
c) Other Commitments		-		-
Total		46,700,413		59,345,921

Note :

- The above Contingent Liabilities for Sale Tax Demands includes demands made by Sale Tax Authorities from time to time under Appeals. As against above demands the Company has deposited Rs.3,076,484/- under protest.
- The above Contingent Liabilities for Excise Demands includes demands made by Central Excise Authorities from time to time under Appeals. As against above demands the Company has deposited Rs.2,250,000/- under protest.
- The Company has deposited Rs. 928,760/- under protest against the demands for Municipal Tax.
- As against the demands for non-fulfilment of Export Obligation under DEEC Scheme, Rs.11,118,251/- has been deposited under protest and disclosed under Export Entitlements as Other Non-Current Assets.
- The Contingent Liabilities representing dues to various Government Authorities as stated in (c) above, have been arrived at after considering the reliefs granted by BIFR vides its Order dated 10.06.2010.
- A sum amounting to Rs.10,138,223/-has been paid as advance in respect of above contracts remaining to be executed on Capital Account and not provided for.

	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE : 30 Additional Information				
I. a) Depreciation and Amortization Expense				
Tangible Assets		53,958,328		61,323,363
Intangible Assets		5,421,359		5,424,377
Total		59,379,687		66,747,740

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	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
b) Items of Income or Expenditure which exceeds 1% of the revenue from operations or Rs. 1,00,000/- which ever is higher.				
i) Income :				
Sundry Balances Written Back		1,086,401		135,236
Miscellaneous Income				
Miscellaneous Receipts	5,802,901		1,557,978	
Repair & Servicing (Net)	135,980		253,700	
Previous Year Adjustment	4,699	5,943,580	2,130,460	3,942,138
Doubtful Debt Written Back		-		3,449,073
Sale Tax Refund for Earlier Years		6,074		-
Profit on sales of tangible assets		-		-
Total		5,949,654		7,391,211
II. Expenditure :				
Miscellaneous Expenditure				
Advertisement		840,594		4,167,033
Bank Charges		3,287,435		3,016,281
Entertainment		16,005,361		11,310,220
General Charges		5,845,672		5,261,138
Motor Car		5,653,514		5,493,791
Printing & Stationary		2,450,423		2,048,576
Postage & Telegraph		1,612,708		1,513,623
Telephones		3,978,333		4,250,638
Membership		680,574		1,011,599
Books & Periodicals		53,922		80,422
Charity		20,000		250,000
Licence fees		40,798		22,398
Electricity Charges		2,270,418		1,722,766
Seminar Expense		4,291,437		835,281
Survey & Analysis		109,801		354,475
Internal Audit Fees		346,562		318,835
Staff Training		-		58,219
Watch & Ward Expense		3,046,096		3,134,448
Exhibition Expense		-		595,490
Computer Expense		1,052,420		888,236
Sales Promotion		2,048,105		2,458,000
Diminuation value of investments		149,684		161,973
Staff selection		124,099		130,426
Total		53,907,955		49,083,868
Repairs Maintenance				
Repairs to Others		23,426		43,808
Repairs to Buildings		1,947,779		3,124,950
Repairs to Plant and Machinery		49,586,282		57,313,906
Total		51,557,487		60,482,664

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	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
b) Payments to Auditors				
Audit Fees		175,000		175,000
Taxation Matter		110,000		100,000
Company Law Matters		-		-
Other Services		310,000		80,000
Reimbursement Of Expenses		-		-
Total		595,000		355,000

c) Prior Period Items				
Contribution to Gratuity Fund		-		-
Legal & Professional Fees		86,125		653,078
Brokerage & Commission		20,260		
Branch Expenses (Chennai)		57,895		
Claims Settled		-		-
Vehicle Expenses		-		-
Car Hire Charges		-		-
Membership Fees		-		216,000
Rates & Taxes		-		200,144
Travelling expense		-		48,415
Repairs & Maintenance		-		100,000
DEPB License		-		-
Others		268,936		527,455
Total		433,216		1,745,092

	2015-16		2014-15	
	Qty (Kg)	Value	Qty (Kg)	Value
2. a) Raw Material Consumption				
i) Copper & Copper Alloy Wire	173,069	68,269,122	137,224	59,236,143
ii) Trivera Wire	222,987	142,206,610	191,644	144,578,726
iii) Stainless Steel Wire	141,849	55,870,743	145,962	58,726,251
iv) Strips	5,863	3,494,216	7,901	4,811,599
v) Non-Ferrous	2,528	(640,050)	2,677	1,773,634
vi) Others	10,331	8,944,916	7,577	9,875,405
Total	556,627	278,145,557	492,985	279,001,759

3. Work In Progress				
i) Wire		24,745,059		24,321,578
ii) Brass		7,637,852		6,836,353
iii) Cloth		25,404,194		24,291,482
iv) Synthetic cloth Sqm		86,225,797		88,579,010
v) Dandy Bracket		1,665,252		1,922,522
vi) Others		1,261,866		1,476,697
Total		146,940,019		147,427,642

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	2015-16		2014-15	
	Qty (Kg)	Value	Qty (Kg)	Value
4. a) The aggregate, if material, of any amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments.				
Liabilities		-		-
Contingencies		350,000		350,000
Commitments		-		-
Total		350,000		350,000

Note : The above contingencies Rs.350,000/- (Previous Year Rs.350000/-) is dependent upon Court decision/out of Court Settlement/ disposal of appeals,etc.

5. a) Value of imports calculated on C.I.F basis by the company during the financial year in respect of -				
I. Raw Materials		206,547,818		206,547,818
II. Components and Spare Parts		18,033,008		18,624,240
III. Capital Goods		39,302,064		39,302,064
b) Expenditure in Foreign Currency during the financial year:				
I. Travelling		2,749,861		2,749,861
II. Commission to Selling Agent		18,349,614		18,349,614
III. Others		373,629		373,629
c) Total value of Imported and Indigenous materials consumed:				
I. Raw Material				
Imported		218,114,969		218,115,632
Indigenous		60,030,588		60,886,127
Total		278,145,557		279,001,759
II. Spare Parts and Components				
Imported		3,271,613		5,998,904
Indigenous		64,934,377		56,754,159
Total		68,205,990		62,753,063
d) Earnings in Foreign Exchange :				
I. Export of Goods calculated on F.O.B. Basis		206,953,291		209,340,777

- 31 As per BIFR Order dated 21.09.2012 sale auction of the property of the company at Nasik Unit (Discontinuing Operation) and also a portion of land of Paper Machine Unit at Nasik and a office building at Mumbai was made through Monitoring Agency State Bank of India for aggregate value of Rs. 31.32 Crore. The transactions for sale have been confirmed by the BIFR vide order dated 07.09.2015 except for Land at Paper Machine Unit valued at Rs. 9 Crores. The entire sale consideration has been received and presently remains deposited in a No-lien account under the custody of State Bank of India (MA) awaiting BIFR Order regarding appropriation of the same. The company is in the process of finalizing the sale agreement except for Land at Paper Machine unit. Meanwhile, the BIFR has circulated the Modified Draft Rehabilitation Scheme for approval for which a meeting was held on 08.10.2015. The second meeting was scheduled on 03.11.2015 but has been deferred in view of non-availability of a validly constituted Bench of the BIFR after last hearing on 08.10.2015.

The company had preferred a writ before this Hon' ble High Court, New Delhi (W.P.No. 1985 of 2016) seeking disbursal of the amount lying in the No Lien Account. However, on BIFR resuming its function from end of April, 2016, the Hon' ble High Court New Delhi, referred the matter back to the BIFR in the last hearing dated 04.05.2016 with direction to dispose of the matter on urgent basis alongwith Modified Draft Rehabilitation Scheme.

Pending final dicission of the BIFR, no effect has been given in the financial statements regarding sale of the said properties.

- 32 Amounts due in respect of Trade Receivable,Loans & Advance given (Non Current and Current Assets) which are considered good and amounts due to parties (under Non-Current Liabilities and Trade Payable) are subject to confirmation from the respective parties.
- 33 Debenture Redemptiom Reserve has not been created in view of brought forward loss.
- 34 No provision for taxation has been made in the accounts in view of carry forward loss. Also Minimum Alternate Tax (MAT) provision has not been made since this is not applicable, the Company being a Sick Industrial Company.

35 Related Party Disclosures under Accounting Standard-18 :**(a) Key Management Personnel :**

Mr. Sunil Kumar Khaitan

(b) Relatives of Key Management Personnel :

Mr. Vedant Khaitan (Son of Mr Sunil Kumar Khaitan)

Mr. Dwarka Khaitan (President of Paper machine Wire Industries a unit of Shalimar Wire Industries Ltd)

(c) Enterprises over which key management personnel and their relatives are able to exercise significant influence :

Shalimar Industries Limited

Anil Special Steel Industries Ltd

Details of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2016:

Transactions with Related Parties	Enterprises over which significant Influence exists		Key Management Personnel		Relatives to Key Management Personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Remuneration :								
Mr. Sunil Kumar Khaitan	-	-	4,510,902	4,558,452	-	-	4,510,902	4,558,452
Salary & Other Perquisites								
Mr. Vedant Khaitan					1,006,849	927,380	1,006,849	927,380
Mr. Dwarka Khaitan					2,132,710	-	2,132,710	-
Balance Outstanding :								
Inter Corporate Deposit receivable								
Anil Special Steel Industries Ltd.	15,762,426	15,762,426	-	-	-	-	15,762,426	15,762,426
Shalimar Industries Limited	332,200	332,200	-	-	-	-	332,200	332,200
Accounts Receivable :								
Anil Special Steel Industries Ltd.	2,702,505	2,702,505	-	-	-	-	2,702,505	2,702,505
Shalimar Industries Limited	445,451	445,451	-	-	-	-	445,451	445,451
Accounts Payables :								
Mr. Sunil Kumar Khaitan	-	-	3,086,171	2,916,171	-	-	3,086,171	2,916,171
Mr. Vedant Khaitan	-	-	-	-	-	49,598	-	49,598
Mr. Dwarka Khaitan					1,471,571		1,471,571	-

- Note :** a) No amount has been written back during the year in respect of due to related parties.
b) No amount has been written off during the year in respect of due from related parties.
c) No provision for doubtful debts in respect of dues from related parties has been made.

36 The Accounts of the Company have been prepared on a going concern basis as the accumulated losses of the Company exceeded its net worth and the Company was declared as a Sick Industrial Company as per the Sick Industrial Companies (Special Provision) Act, 1985 by the Board of Industrial and Financial Reconstruction (BIFR) vide its Order dated 30.01.2006. The said Board has accorded its approval as conveyed vide its Order dated 10.06.2010 to the Draft Rehabilitation Scheme (DRS) submitted by the Company and which was received the Company on 24.06.2010. The effect of the above has been duly given in the financial statement.

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37 Discontinued Operation :

a) The Company has discontinued its Nasik Unit from 2nd July 2003 onwards.

The results of the discontinued business during the year where as under;

	For the year ended 31st Mach, 2016		For the year ended 31st Mach, 2015	
	₹	₹	₹	₹
Expenses :				
Employees Benefits		1,688,860		1,574,638
Depreciation and Amortization	1,146,543		3,488,864	
Less : Retained Depreciation	-	1,146,543	2,342,321	1,146,543
Other Expenses		5,183,356		5,777,577
Total Expenses		8,018,759		8,498,758
Loss before tax from ordinary activities		(8,018,759)		(8,498,758)
Add : Gain on disposal of assets / Excess provision of depreciation of assets written back / Settlement of liabilities attributable to Discontinuing operation.		4,646,883		-
Extraordinary Items		-		2,342,321
Profit / (Loss) from discontinuing operations after tax		(3,371,876)		(10,841,079)
Carrying amount of the total assets relating to discontinuing operations to be disposed off		44,363,391		46,222,010
Carrying amount of the total liabilities relating to discontinuing operations to be settled		77,827,307		82,927,255
Net cash flow attributable to the discontinued operation				
Cash inflows / (outflow) from operating activities		-		-
Cash inflows / (outflow) from investing activities		-		-
Cash inflows / (outflow) from financing activities		-		-

b) As per the demerger order passed by the Hon'ble Calcutta High Court long back the Company is liable to pay stamp duty under Bombay Stamp Act, 1958 for registration of its immovable properties located in Maharashtra and accordingly has made estimated provision of Rs,210.32 lakhs on account of stamp duty. Pursuant to the said order, Rs.210.32 lakhs is receivable from Jhagadia Copper Ltd (Formerly SWIL Ltd) which will be accounted for as and when received.

c) The above operation has been disclosed under "Strip & Wires" business segment.

38 Segment Reporting Disclosures under Accounting Standard-17 :

Based on the guiding principles given in Accounting Standard 17 'Segment Reporting' ,the Company's primary business segments are (a) Paper Mill Product and (b) Strip & Wire.

Segment wise Revenue, Results and Capital Employed for the year ended 31st March, 2015 :

A. Primary Segment	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
A.1. Segment Revenue (Gross Sales / Income from each segment)				
(a) Paper Mill Products				
i) External Revenue	958,213,447		949,989,368	
ii) Inter segment Revenue	-	958,213,447	-	949,989,368
(b) Strip & Wire				
i) External Revenue	115,900,548		100,194,310	
ii) Inter segment Revenue	-	115,900,548	-	100,194,310
(c) Others		-		-
		1,074,113,995		1,050,183,678
A.2. Segment Results [(Profit / (Loss) before Tax and interest]				
(a) Paper Mill Products		88,174,172		112,769,230
(b) Strip & Wire		(10,409,190)		(23,779,086)
(c) Others		-		(6,647,413)
Total		77,764,982		82,342,731

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A. Primary Segment	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
Less : Interest Cost		(80,074,477)		(86,203,922)
Add : Exceptional Items : Write back (Net) on account of BIFR scheme		-		-
Total Profit / (Loss) before Tax		<u>(2,309,495)</u>		<u>(3,861,191)</u>

A.3. Net Segment Assets (Segment Assets less Segment Liabilities)	As at 31st March, 2016		As at 31st March, 2015	
	Assets	Liabilities	Assets	Liabilities
(a) Paper Mill Products	1,262,992,174	209,294,468	1,223,632,024	192,062,859
(b) Strip & Wire	122,744,989	103,121,328	119,611,272	96,397,204
(c) Unallocable liabilities less unallocable assets.	85,940,368	27,225,711	86,110,154	27,225,711
	<u>1,471,677,531</u>	<u>339,641,507</u>	<u>1,429,353,450</u>	<u>315,685,774</u>

A.4. Capital expenditure including capital work-in-progress and depreciation	2015-16		2014-15	
	Capital Expenditure	Depreciation	Capital Expenditure	Depreciation
	₹	₹	₹	₹
(a) Paper Mill Products	183,143,219	57,305,065	131,461,655	64,443,400
(b) Strip & Wire	-	3,221,165	-	5,793,204
(c) Others	-	-	-	-
Total	<u>183,143,219</u>	<u>60,526,230</u>	<u>131,461,655</u>	<u>70,236,604</u>

B. Secondary Segment Geographical distribution of segment revenues	Paper Mill Products	Strip & Wire	Others	Total
	1. India	777,349,150 (761,266,787)	89,957,687 (79,576,114)	-
2. European Continent	-	22,897,903 (17,810,391)	-	22,897,903 (17,810,391)
3. African Continent	10,380,754 (7,632,622)	-	-	10,380,754 (7,632,622)
4. U.S.A.	744,580 (349,470)	- (34,643)	-	744,580 (384,113)
5. South American Continent	-	-	-	-
6. Other Asian Countries	169,738,963 (180,740,489)	3,044,958 (2,773,162)	-	172,783,921 (183,513,651)
Total	<u>958,213,447</u> (949,989,368)	<u>115,900,548</u> (100,194,310)	<u>-</u>	<u>1,074,113,995</u> (1050,183,678)

- Note :**
- The Company has disclosed business segment as the primary segment.
 - Transactions between segments are for materials which are transferred at cost.
 - Segment revenue and expense include items directly attributable to the segment and common costs, apportioned on a reasonable basis
They do not include investment income, interest income from Inter-corporate deposits and loans given, dividend income and interest expense.
 - All Segment assets and liabilities are directly attributable to the segment.
Segment assets include all operating assets used by the segment and consists principally of net fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include investments, loans given, interest accrued and due/ but not due, share capital, reserves and surplus and loans.

- e) Fixed Assets used in Company's business or liabilities contracted have not been identified to any of the reportable geographical segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

39 Disclosure in terms of Accounting Stanadr-29

- (a) Movement for Provision for Liabilities :

Particulars	Legal Cases	
	Rs.	
Balance as at 1st April, 2013		350,000
Provided During the period		-
Amount used during the period		-
Reversed during the period		-
Balance as at 31st March, 2014		350,000
Timing of outflow/uncertainties		Outflow on settlement/ Crystallization

- (b) The Contingent Liabilities & Liabilities are dependent upon Court decision / out of Court Settlement/ Disposal of appeals, etc.
(c) No reimbursement is expected in the case of Contingent Liabilities & Liabilities.

40 Employees Benefits under Accounting Standard-15 :

As per Accounting Standard - 15 " Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows :

a) Defined Contribution Plan :

- i) Employee benefits in the form of Provident Fund, Superannuation Fund, Employee State Insurance Scheme and Labour Welfare Fund are considered as defined contribution plan except that Provident Fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a Defined Benefit Plan since the Company has to meet the interest shortfall.
- ii) The contributions to the funds are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to Defined Contribution Plan, recognized as expense for the year are as under :

Defined Contribution Plan

	2015-16 (Rs.)	2014-15 (Rs.)
Employer's Contribution to Provident Fund	11,141,313	11,270,720
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Employee State Insurance Scheme	1,103,356	1,380,073
Employer's Contribution to Labour Welfare Fund	9,624	13,030

b) Defined Benefit Plan :

- i) Post employment and other long-term employee benefits in the form of gratuity and leave encashment are considered as Defined Benefit Obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the Balance Sheet represent the present value of the obligation as adjusted for unrecognized past service cost and as reduced by the fair value of plan assets.
- ii) Provident Fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a Defined Benefit Plan since the Company has to meet the interest shortfall. There is no interest shortfall as at the year end. As advised by an independent actuary, it is not practical or feasible to actuarially value the liability considering that the rate of interest is notified by the Government . Accordingly other related disclosures in respect of Provident Fund have not been made.
- iii) Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the Profit and Loss Account for the year in respect of Employees Benefit Schemes based on actuarial reports is as follows :

	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Components of Employer Expense :						
Current Service Cost	2.95	3.00	33.35	27.41	22.06	8.19
Past Service Cost	-	-	-	-	-	-
Interest Cost	5.95	5.82	34.80	30.40	16.16	13.38
Expected Return on Plan Asset	(3.12)	(2.98)	(1.97)	(4.06)	-	-
Net Actuarial (gain)/loss recognized in the year	7.66	(1.84)	28.98	33.30	48.94	29.08
Expense recognized in statement of Profit & Loss Account	13.44	4.00	95.16	87.05	87.16	50.65
	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Change in Present Value of Defined Benefit Obligation :						
Present Value of Defined Benefit Obligation at the beginning of the year	74.40	72.69	393.41	366.56	164.43	148.14
Interest Cost	5.95	5.82	34.80	30.40	16.16	13.38
Past Service Cost	-	-	-	-	-	-
Current Service Cost	2.95	3.00	33.35	27.41	22.06	8.19
Benefits paid	(3.85)	(5.27)	(14.11)	(63.34)	(26.86)	(34.36)
Actuarial (gain)/loss	7.66	(1.84)	26.69	32.38	48.94	29.08
Present Value of Obligation at the end of the year	87.11	74.40	474.14	393.41	224.73	164.43
	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Change in fair value of Plan Assets during the year ended 31st March, 2014 :						
Plan Assets at the beginning of the year	38.46	35.93	26.81	75.01	-	-
Expected Return on Plan Assets	3.12	2.98	1.97	4.06	-	-
Actual Company Contribution	5.80	4.82	10.14	12.00	26.86	34.36
Benefits Paid	(3.85)	(5.27)	(14.11)	(63.34)	(26.86)	(34.36)
Actuarial (gain)/loss	-	-	(2.29)	(0.92)	-	-
Plan Assets at the end of the year	43.53	38.46	22.52	26.81	-	-
	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2014 :						
Present value of Defined Benefit Obligation	87.11	74.40	474.14	393.41	224.73	180.72
Fair Value on Plan Assets	43.53	38.46	22.52	(21.39)	-	-
Funded Status [Surplus/(Deficit)]	(43.58)	(35.94)	(451.62)	(414.80)	(224.73)	(180.72)
Net Asset/(Liability) recognized in Balance Sheet	(43.58)	(35.94)	(451.62)	(291.55)	(224.73)	(180.72)
	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Actuarial Assumptions :						
Discount Rate (per annum)	8%	8%	8%	8.25%	8%/7.75%	8.25%/9.25%
Expected rate of return on Plan Assets (per annum)	-	-	N.A.	N.A.	N.A.	N.A.
Salary increases	7%	7%	6%	5%	6%/7%	5%/7%
Retirement / Superannuation age	58 years	58 years	58 years	58 years	58 years	58 years
Mortality	Indian Assured	Indian Assured	Indian Assured	Indian Assured	Indian Assured	Indian Assured
	Lives (2006-08)	Lives (2006-08)	Lives (2006-08)	Lives (2006-08)	Lives (2006-08)	Lives (2006-08)
	Ultimate Mortality Rates.	Ultimate Mortality Rates.	Ultimate Mortality Rates.	Ultimate Mortality Rates.	Ultimate Mortality Rates.	Ultimate Mortality Rates.

Major Category of Plan Assets as a % of the Total Plan Assets as at year end :	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
	-	-	N.A.	N.A.	-	-
Experience Adjustments :	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Defined Benefit Obligation	87.11	74.40	474.14	393.41	224.73	180.72
Plan Assets	43.53	38.46	22.52	(21.39)	-	-
Funded Status	(43.58)	(35.94)	(451.62)	(414.80)	(224.73)	(180.72)
Experience Gain/(Loss) adjustments on Plan Liabilities	7.66	(1.84)	26.69	32.38	48.94	29.08
Experience Gain/(Loss) adjustments on Plan Assets	-	-	(2.29)	(0.92)	-	-
Expected Employer's Contribution for the next year :	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Expected Employer's Contribution for the next year	-	-	117.69	95.67	29.28	29.28

c) **Basis used to determine the expected Rate of return on Plan Assets :**

The basis used to determine the expected rate of return on Plan Assets is Deep Discount Interest rate of R.B.I. or average interest rate of R.B.I. Long Term Instrument.

d) **Other disclosures :**

- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- The Gratuity expenses have been recognized in "Contribution To Provident & Other Funds" and Leave Encashment in "Salaries/Wages and Bonus" under Note No -25
- The amount of the present value of obligations, fair value of Plan Assets, surplus/deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous three annual periods are not available and therefore, not disclosed.

Note : Above information have been compiled on the basis of Certificates issued by the Actuaries.

41 Earning Per Shares :

	2015-2016 (Rs.)	2014-2015 (Rs.)
a) Net Profit/(Loss) after tax available for equity shareholders	(2,309,493)	(3,861,191)
b) Weighted average number of Basic Equity Shares of ₹ 2/- each outstanding during the year. (No. of shares)	37,605,123	37,605,123
c) Weighted average number of Diluted Equity Shares of ₹ 2/- each outstanding during the year. (No. of shares)	37,605,123	37,605,123
d) Basic Earning Per Shares (Rs) a/b	(0.06)	(0.10)
e) Diluted Earning Per Shares (Rs) a/c	(0.06)	(0.10)

42 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary and practicable. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date.

For S. S. KOTHARI & CO.

Chartered Accountants

FR NO. 302034E

CA P. K. Bhattacharya

Partner

Membership No.015899

Kolkata, 21st May, 2016

Sunil Khaitan

Managing Director

Dipak Dasgupta

Director

S. J. Sengupta

Sr V.P. & CFO

S. K. Kejriwal

Company Secretary